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THE ROUND TABLE

A QUARTERLY REVIEW OF THE
POLITICS OF THE BRITISH COMMONWEALTH

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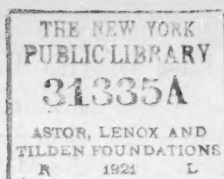
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THE LAST OF THE PEACE TREATIES

I

TURKEY'S turn has come. The last of the Peace Treaties is settled and published, the one which lays the new foundations of the Middle East. The Sultan is to stay at Constantinople. His empire, however, will only be a shadow of what it used to be, and his sovereignty is restricted in various ways. Turkish finances are to be under allied control, the military forces are strictly limited and the control of the Straits passes to a Commission consisting of representatives of a number of foreign States which are named in the Treaty. In Europe the Turk loses everything except his capital. In Asia his empire is split up and its component parts disposed of on the same principle of nationality as has been applied already to the reconstruction of Europe. Where the conditions are such as to make outside assistance advisable, the new countries are to be entrusted to mandatories. The actual Powers which are to perform these functions are not yet officially named, but it is already known that Great Britain is to have the care of Mesopotamia and Palestine, France of Syria. In the north, where the need is perhaps greatest, no nation has yet been found for the work. The Armenian difficulty is still unsolved. The different questions of which the problem of the Middle East is compounded will be considered in greater detail in a moment. A general glance,

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in the first instance, at the main features of the problem may perhaps help to give them perspective.

For the ordinary man the Middle East used to mean the old Turkish Empire in Asia, Arabia, and possibly Persia. To-day it has come to mean a good deal more. It is, indeed, getting more and more difficult to split up the East into such artificial divisions. Events are fast pushing back the partitions. None of the Mahommedan countries round Turkey can very well be left out. Geographically Egypt belongs to Africa, actually she is what she used to be—part of the Middle East. The same can be said of large tracts which before the war belonged to Russia. Azerbaijan, Georgia, and the Armenian Republic of Erivan have all come back to their old world. It is hard even to keep out Turkestan and Afghanistan; and before we know where we are the frontiers of India are reached. History in this is only repeating itself. There was nothing to separate the Middle East from Central Asia, or, indeed, from Northern Africa, until modern times.

Constantinople stands apart. It really belongs both to Asia and to Europe. Though its population is more than half Moslem, and it is the capital of the Turk, its soul is still claimed for Europe. Over 550 years have not changed the character of the Turk's occupation as an encroachment on the West. He is still only encamped in Europe.

The Treaty, of course, deals only with the Turkish Empire. Persia was never available for the melting-pot. Its future position was the subject of that separate arrangement between Great Britain and the Shah's Government which was dealt with in the December number of *THE ROUND TABLE*. Azerbaijan and Georgia have already been recognised as republics. So has Erivan. But every one of the countries that have been mentioned will be vitally affected by what is to be done to Turkey. It is like rebuilding part of a semi-detached house. In the west Egypt is already jealously watching the birth of the new Arab state in Syria, indignant that a race upon which

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she looks down as half barbarian should get a measure of liberty which has hitherto been denied to herself. Far away in the East Mahommedans in India, and for that matter some Hindoos too, are championing the cause of the Turkish Caliphate.

And it goes far beyond that. Nobody can be indifferent to what happens to the Ottoman Empire. Its geographical position makes it in a real sense the centre of the world. The waist of land on which it rests separates the Western seas from the Indian Ocean. Across it the high road from the East passed for centuries before Suez was cut. Who can doubt that it will be the same again? The Germans had no doubt about it. Their "*Drang nach Osten*" was the immediate cause of the war. Only some 200 to 300 miles of permanent way have still to be laid between Nisibin and the railhead south of Mosul, and then the Baghdad Railway will be finished. There is already talk of a more direct line from Baghdad to the Mediterranean farther south. Liquid fuel is ready to hand to feed the iron horse. The camel's day is nearing its end. The seclusion of the desert is passing. It is certainly no longer going to be left to itself as in the past. But there are other vantage grounds involved in the settlement. Topographical features have always had a marked effect on history, and none have done more to shape its course than places where some continent draws in to an isthmus or the sea to narrows. The waist of land which lies between the Persian Gulf and the Mediterranean also connects both the East and the West with Africa. A narrow tongue joins, or almost joins, Asia to Europe in the north; a second one joins it to Africa in the south. In both cases the tongue is cut—by natural straits at the Dardanelles and the Bosphorus, and by an artificial canal at Suez. Panama is the only other place where there are such crossroads by land and sea, straits and isthmus combined; and its history has still to be made. It is, however, over 1,600 years since Constantine chose the Bosphorus as the site for the capital

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of the Eastern Roman Empire, and the natural advantages which led him to do it are still as great as ever they were. The narrows on which Constantinople stands supply the only waterway by which at any time of year the largest country in the world can reach the Western seas. There is no part of the world which is not interested in its future. Russia is concerned more than all the rest, and she was far away when the Conference sat. Nor is it Constantinople only that matters to her. Between the Black Sea and the Caspian there is another waist of land. Across it lies the barrier of the Caucasus. The mountains are her door to the Middle East. Whatever happens there must affect her position. The fact that the Conference had to give its judgment on these points in default does not make a lasting settlement any the easier to reach.

The importance of the Peace is obvious. Trouble in the Middle East would be more than likely to spread elsewhere. At the same time, it is in some ways harder in this part of the world to build anything permanent than in the other countries with which the Conference has been dealing. The material is different to anything in Europe. Yet the same principles of architecture have to be applied. Immediately after the armistice it would have been hard enough, and time has made everything worse. Since last December, when an article in *THE ROUND TABLE* explained the reasons and some of the effects of the delay that has taken place, new complications have appeared. There is no field for a certain kind of propaganda like fear, especially when it is working on a guilty conscience. Like Macbeth, the Turks have found that one murder inevitably leads to another. The killing of the Armenians has started again. In the Arab world, sick of waiting for a decision, a Syrian congress last March offered the Emir Feisul the crown of Syria, and the offer was accepted. Palestine, it was said, was also claimed for his kingdom, and his elder brother Abdullah proclaimed king of Mesopotamia. In point of fact, we ourselves are actually administering

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Mesopotamia, as well as Palestine, at the present time. In Palestine Jews and Moslems have already been at one another's throats. There have been attacks by Arab raiders also on British posts. In Cilicia the position of the French seems to get more difficult every day, and the behaviour of Mustapha Kemal in Anatolia has forced the Allies to occupy Constantinople. After the armistice the world looked to America to take a part in rebuilding the Middle East. For a year and a half we hoped against hope, but last March the vote of the Senate put an end to the idea. With the falling out of America the bottom seems to a large extent to have fallen out of the territorial guarantee of the League of Nations. Further waiting is, at all events, out of the question. The rest of us must get to work.

There were high hopes when the Peace Conference began to sit in 1919. Its last problem, which calls for as much care and courage as all the rest, has had to be approached in a time of pessimism. In Europe, if the difficulties were great, there was, at all events, one great advantage. The people were, relatively speaking, on the same advanced plane of civilisation. All had to some extent been in touch with Western ideas, and it was a plan conceived in their own world that was applied. In the Middle East, while the complications which faced the Conference in Europe are to a large extent present, in some ways they are even greater. Minorities in the more backward parts of Europe are not in an enviable position, but in parts of the Middle East they will stand in danger of their lives unless there is a strong hand to protect them. The Middle East is, indeed, a different world. Doubters say that our Western principles are inapplicable to its conditions, just as Gothic architecture looks out of place away from the Northern forests which inspired its builders. There is at all events general consent that many of the peoples of the old Turkish Empire cannot be left to work out the plan unaided. The advanced peoples must lend them a hand. The call

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comes at a bad psychological moment. The nations which are fit for the work are weary after the tremendous struggle that has just ended. Here in Great Britain people are more inclined to draw in their horns than to take on fresh responsibilities. We feel like troops back from the line for a long deferred rest who are suddenly asked to return to the trenches. Yet we cannot turn a deaf ear to the call if it means being false to ourselves. The principles to give effect to which the League of Nations was formed are not new. They are our own.

II

THERE are few parts of the world where it is so hard to see the wood for the trees as in the Middle East. There is such a medley of races, its problems are hidden in such a wealth of detail, that even a keen observer might come away from the picture with no very clear impression. An attempt is made in the next section to explain some of the detail. There are, however, two main principles which stand out. One springs from the soil and is old. The other is new and comes from outside. The first is Pan-Islamism; the second Nationalism. Nationalism proper has nothing to do with religious creeds. It is found alike among Christians, Jews and Moslems. It has already begun to bring them together. Pan-Islamism is just the opposite. It disregards national and racial boundaries. Its basis is a religious bond. Its field is the Moslem world and members of other religions are outside its pale. As, however, the bulk of the population of the Middle East is Mahomedan, it has a wide hunting ground, even if no account be taken of Moslem countries farther afield, or of divisions in Islam itself. The Pan-Islamic movement is really an ancient growth, with its roots in the early days of Islam. It is doubtful if the Prophet

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himself seriously contemplated its spread beyond the bounds of Arabia, but later, under his successors, the horizon expanded. Universal empire was in accordance with the spirit of Islam. A single state co-extensive with it and under the supremacy of the successor of the Prophet became a natural dream, and unceasing wars gave, or at all events confirmed, its militant character. There will be nothing strange in this ideal to students of the history of mediæval Europe. Its counterpart was found in the West. In the time of Dante "One State, one Church" was the ideal of Christendom, and it lasted until the modern conception of the national state gradually took its place, though its real deathblow was given by the Reformation. The Holy Roman Empire, which died an almost natural death in 1806, was nothing more than a lingering survival, a mere ghost of what had long ceased to be a living idea. On its temporal side the dream rose for a moment again in the imagination of Napoleon. With the fall of William II it has gone from the West, perhaps for ever. In the Middle East it was natural that the idea of a world state should live on. Its peoples had been accustomed from earliest times to outside rule.

The motives behind the Pan-Islamic movement to-day are mixed. The moment is a desperate one. From a worldly standpoint Islam has never been so low, and spiritually it is invaded by all sorts of outside ideas. The ideal of a Mahomedan world has faded into the background, and the practical programme of the movement has come to be rather the closing and strengthening of the ranks of Islam for resistance to outside influence. It has no quarrel with separate states within its bounds. Islam is, however, to be the dominant power as well as the binding force, and other creeds must necessarily take a back seat in its world. Above all, the dignity and temporal position of Islam must be kept intact. Its most active agents are the Young Turk party. Their aims are rather political than religious, and Islam is a tool ready for their purpose.

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It supplies the cement that they need, just as in India Hindooism binds together the different races. The movement takes the place of and supplements the Pan-Turanian movement. The object of the Young Turks is to restore the old Turkish Empire and perhaps more, and the theory of the Turkish Caliphate also fits in well with their plans. Nor has the moment been altogether unfavourable. The general discontent resulting from the delay in settling the treaty has made people more ready for any agitation. Fear also gives strength to the cause. The leaders of the movement play with effect on the restlessness which has been referred to already. Tribes afraid of recent massacres being brought home to them, or of the Conference handing them over to their Armenian enemies, snatch at any alternative. They have not shrunk from stirring up fresh massacres to further their aims. Then there is in most Moslem countries a certain element of fanaticism and a dislike of foreigners which is generally brought to the surface with European pressure. This too adds grist to their mill. Besides these elements there is a solid body of Moslem opinion to whose religious conservatism the Pan-Islamic ideal makes a genuine appeal. They too are afraid. They see the tide of Western aggression eating into the cliffs of the old world that is sacred to them. To them Nationalism and all that it stands for to-day in the way of advanced ideas are naturally antipathetic. Their instinct tells them that the principle of religious ascendancy could not live in such an atmosphere.

Nationalism proper is, indeed, at the opposite pole. It too is largely antagonistic to the West, though it is not because it has any quarrel with Western ideas. On the contrary, it has adopted many of them—but it resents interference from outside. It wishes the people of the Middle East to be left to work out their own salvation. It is no doubt apt to overrate their ability to walk alone. It would at all events limit European interference to advice and help. It is an accident that the Turkish

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Nationalists find that it suits their book to work in with Pan-Islamism. They back the movement not as Nationalists but as Imperialists.

What chance is there, then, of Nationalism making good? It must not be imagined from what is said above that national character is weak in the Middle East, for there are no more marked types anywhere. Arab, Persian, Turk and Kurd have all of them an individuality as strong as our own. It is the same with the Armenians, though generations of oppression have naturally given them characteristics which are the reverse of attractive. Self-expression in most of the races of the Middle East has, however, only lately begun to take a political direction on Western lines. History records plenty of Moslem separatist movements in the world which used to acknowledge the sway of the Eastern Caliphs, especially in its outlying parts; but until comparatively lately national aspiration did not as a rule go beyond the influence which it could bring to bear on the reigning power or the dominant idea. In this its effect was considerable. The Persians accepted Islam in its earliest days, but under their touch it became a different thing. They read into it what their national genius demanded. Old ideas found a new home. Moreover, they contributed at least as much as the Arabs to the brilliance of the Abbasid period. The two civilisations met rather than mixed at Baghdad. To-day the old order is changing fast, and the nations of the East are no longer content to follow any more than those of the West. Nationalism is naturally strongest in a great centre like Damascus, where people are more advanced in their views and mere contact helps to fan the movement. They are also comparatively near to the source from which it came. It is not, however, confined to the cities. It is infecting the backward and more distant peoples as well, and it seems bound to spread as the means of communication improve. Every fresh mile of railway track, every new telegraph post lends it

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wings. The Middle East is hedged around with Nationalist influences. Nor is the movement even in the backward parts of the Turkish Empire a mushroom growth which has sprung up in a night. In its present form no doubt it is a break with the past ; but before the close of the last century the Kurds had already two or three times tried to win their independence. They have the same aspirations to-day. Not the least of the difficulties which the Conference has had to face is the absence of any impartial authority to protect racial minorities in Anatolia, Armenia and Kurdistan. Although, however, the conditions differ widely in various parts, Nationalism, generally speaking, seems to have come to stay in the Middle East as elsewhere.

III

IT is now time to deal with certain details. A bird's-eye view at the start makes it easier to understand the different questions, but detail is also essential for a proper grasp of the whole problem. First and foremost comes Constantinople, with which the cause of the Turkish Caliphate has also become entwined. For many centuries the Caliphs in the East were Arabs, their seat being first of all in Arabia, and later at Baghdad. The Baghdad period came to an end with the Mongol invasion under Holagu in A.D. 1258, when the Caliph Mustassin perished. He was believed to be the last of the Abbasid dynasty, but another scion of the family was soon afterwards discovered by the Sultan of Egypt, and for the greater part of three hundred years the Caliphate continued to exist in that country, though it seems to have carried with it little or no real authority. The holder of the office became, indeed, according to the accounts which have come down to us, little more than a puppet in the hands of the Memluk rulers. After the conquest of Egypt by Selim, the Osmanly Sultan, in A.D. 1517, the Caliph of the day was

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taken to Constantinople, where he some time afterwards resigned his rights to Selim's successor. Since that time the Caliphate has remained at Constantinople.

With the Sultan's right to the position the Peace Conference was not concerned. It is a religious question purely for Mahommedans. The attitude of Moslems is, however, a matter in which we can take a legitimate interest. In point of fact they do not all see eye to eye on the question, though no doubt many who do not recognise the Sultan as Caliph have a sympathy for Turkey. The attitude of the Shiah sect is, generally speaking, one of indifference. That, at all events, was the impression given by a Persian delegation which visited this country not long ago. The State religion of Persia is Shiah, and more than half the people of Mesopotamia belong to the sect. They have their own Holy Places, and the Caliph to whom they look does not exist in the flesh. The Moors, on their side, look upon the Sultan of Morocco as Caliph. As for the Arabs, it is doubtful if even the Sunnis would lift a finger in support of the Turkish cause. Only the other day the Emir Abdullah, son of the Sherif of Mecca, made a statement at Cairo which showed that the Sultan did not, in his opinion, possess the essential qualifications for the office. The Sultan was, however, far from being left with no one to back his claims but his own Turkish subjects. He has had to look rather far afield for assistance, but he has not looked in vain. A variety of reasons have led Indian Moslems to take up his cause, and there is no doubt that they have done it yeoman service. We have the statement of the Prime Minister of Great Britain in proof of this. Apart from religious reasons, they felt that nothing could make up to Islam for the loss of a capital which, from the point of view of beauty, historical associations, and situation, is unique among the imperial cities of the world. Since it was founded 1,600 years ago it has always been the metropolis, not of a single state, but of a great Empire. Once upon a time it took in half the

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civilised world. It is easy to understand the prestige that is bound up with it. It has also counted for much that the Caliph should be the sovereign of a great state which has had one foot in Europe for so many centuries. For the same reasons, no doubt, the Indian Khalifat delegation have done their best to get the Powers to leave the Turkish Empire intact, and this notwithstanding the fact that the national hopes of many Moslems like the Arabs of Syria ran counter to their proposals. Hindoos have seconded their appeal. They had political reasons for doing so, but there was, no doubt, genuine sympathy as well. To many Indian eyes the Turk appears, not in the rôle of one of the principal villains in a tragedy which has not yet reached its last act, but of a fellow-Asiatic in danger from Western aggression.

The original intention of the Allies had been that Constantinople should pass to Russia. Her defection and what has happened since put an end to that idea, and several reasons combined to produce the ultimate decision of the Peace Conference. One of them has already been referred to. There are 66,000,000 Moslems in India, many of whom, as already mentioned, sympathise with Turkey. They found many of the troops who helped to win the war, and in many other ways have deserved well of the British Empire. Another was that pressure could more easily be put on the Turkish Government, in the interest of minorities, if it remained at Constantinople than if it retired to the interior of Anatolia. Certainly there were signs the other day that the oracle can be worked to some purpose. The Sultan's proclamation seems to have had more effect against Mustapha Kemal than was expected. The main reason of all, however, was no doubt that, since America made up her mind to keep out of the business, there was no one else to put at Constantinople. Any mandatory must needs be a powerful state. No one knows what the future may bring forth, especially from the north.

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Constantinople is not the only possession that has remained to the Turk in Europe. The years have taken much from him, but the war found him still with important territories in the West. Mr. Lloyd George made a speech in January, 1918, that has been much quoted by people who support the cause of the Turk. It was a couple of months before the great German advance. "We are not fighting," he said, "to deprive Turkey of its capital or of the rich and renowned lands of Asia Minor and Thrace, which are predominantly Turkish in race." The words fell on deaf ears. The Turks preferred to wait for the great throw of the Central Powers. Some confusion, however, has been left in people's minds about the Thracian question. The only part of the country which contains a majority of Turks is Western Thrace, which, however, did not belong to Turkey at all. It was Bulgarian territory down to the Peace settlement, and has now been joined to Greece. Eastern Thrace, on the other hand, though it belonged to Turkey, contains a majority of Greeks. In 1914 the relative proportions were, according to such statistics as were available, 313,000 Greeks to 225,000 Turks. There are also a number of Bulgarians, and their claims have recently been voiced by President Wilson with special reference to Adrianople and Kirk Kilisse; but as they are in a minority in Eastern Thrace as a whole, the country is given to Greece as far as Chatalja. There are, however, special provisions to protect the rights of Moslems in places such as Adrianople, where they are in large numbers.

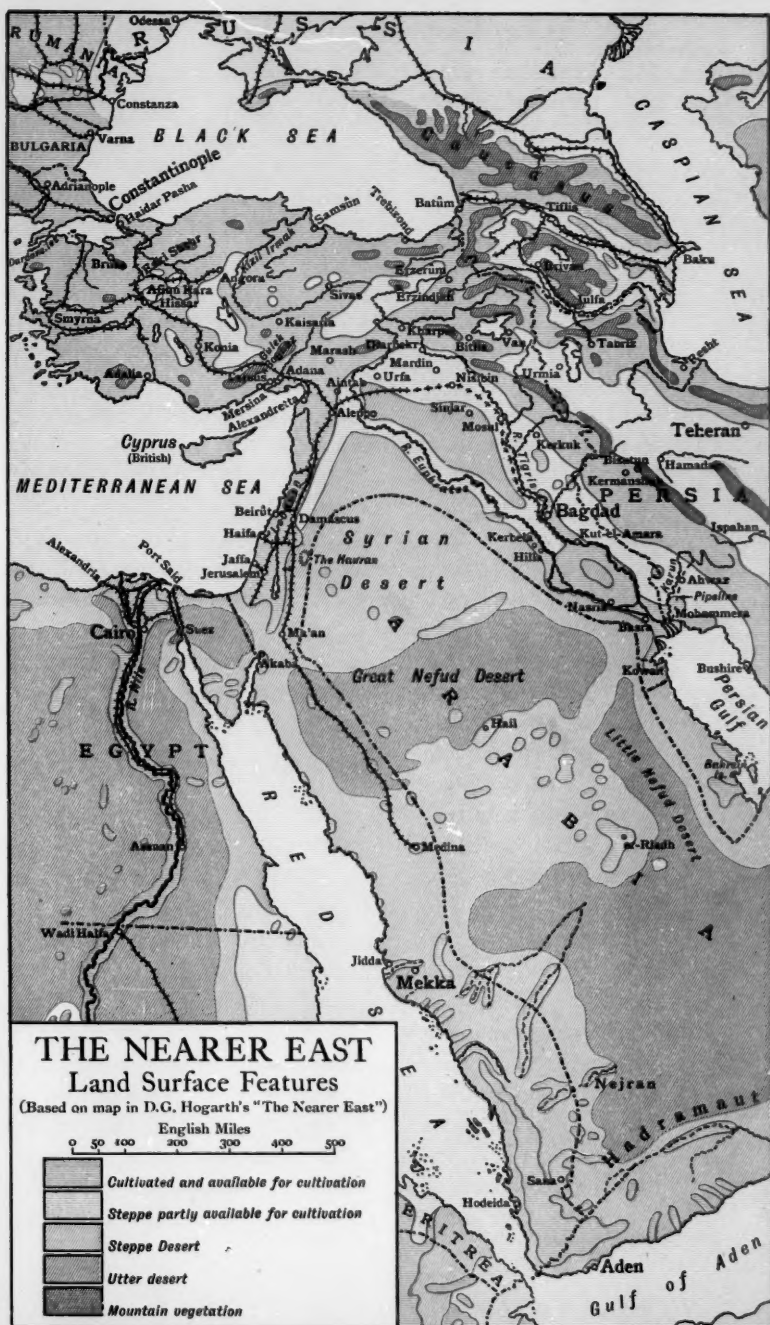
Thrace gone, Turkey is left in Europe with a territory which, indeed, includes Constantinople, but otherwise is little more than a bridgehead in point of size. In Asia she will still have Anatolia, where the population is Turkish with a fringe of Greeks by the sea. It is not, however, the Anatolia of her pre-war days. The administration of Smyrna, its immediate back country, and a strip along the coast in which the majority of the inhabitants are Greek, goes to Greece, though the nominal sovereignty

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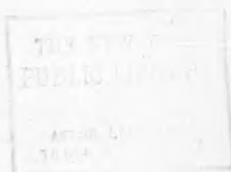
of the Sultan over it is to remain. The only available figures date from before the war and are as follows : Greeks 375,000, Mussulmans 325,000, Jews 40,000, and Armenians 18,000. At the end of five years a plebiscite will be held to decide whether the country so administered is to be formally annexed to Greece or not. In any event its administration would remain Greek. The enclave will, notwithstanding the figures, be adversely criticised by many as spoiling the completeness of the only territory in Asia that is to be left to the Sultan. Smyrna is the natural port for a great deal of it.

Turkish Anatolia itself is not under the control of Constantinople at this moment. The real power in the country is Mustapha Kemal Pasha, who for a long time now has been the leader of the Turkish Nationalists, and he holds the whole country except what happens to be occupied by the Greeks or by French troops. Till the Allies occupied Constantinople the other day the Government did whatever he told them. Through the Cadi of Angora he has lately proclaimed a holy war. His standard has been the rallying point for the remnants of the old Turkish army. His influence stretches as far as Azerbaijan, where it either joins hands or clashes with Bolshevism : which of the two is still a moot point.

We turn now to those parts of the Ottoman Empire in Asia which are not Turkish in race. Vast territories are involved, and peoples whose character has been determined by their peculiar surroundings. With the exception of a strip along the Mediterranean littoral in which the best part of Syria and Palestine lie, and of the banks of the great rivers, all the southern part east and south of the Taurus ranges is, as the map shows, either desert or else steppe which can only partly be used for cultivation, though much of the soil is rich and wants nothing but water. This is the Arab world. There is hardly a stone in the greater part of it, trees nowhere. It is as bare as the veld. Natural frontiers there are none. Except in the north and north-east, where the mountains close the plain, they



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are out of the question. The rivers, here as in Egypt, help to make the land one. The northern part of the Middle East, on the other hand, is most of it, except in the wilder parts of the hills, fit for crops or pasture of one kind or another, and there are forests. It consists of uplands and mountains. Anatolia, Kurdistan and Armenia, the relative positions of which can be seen on the map, are all of this character. Armenians and their foes glower at each other in the same valleys, and in many cases massacres have turned majorities into minorities. The blood feud has long ceased to be on one side only. If the races were in separate districts the problem would be half way to solution. The line between the plains and the highlands is not very far north of the Baghdad railway as it will be when completed east of Aleppo. To a traveller in Mesopotamia going north the change is almost sensational. Long before he gets to Mosul the plains gradually break into billow-like ridges—it might be the sea touched by a sudden gale—but, except that the ground becomes stony, its character does not radically alter. Suddenly close to the town he becomes aware of a different world. Across the wide Tigris valley the mountains of Kurdistan loom up in front of him, range behind range. The highest of them carry snow in most seasons of the year. The soft blue of the more distant slopes suggests trees again. The plains are over. He has reached the great northern massif of the Middle East. It is like approaching an iron coast from the sea. To the east the mountains separate Mesopotamia from the high plains of Central Persia, and between Mosul and Lake Urmia live the remains of one of the ancient peoples of the world, the Chaldeans and Assyrians, more claimants for home rule. Northward the mountains continue as far as the Black Sea and the Caspian. Between these two they melt into the tremendous barrier of the Caucasus. Under its shadow lie the three latest additions to the independent states of the world, Azerbaijan, Georgia and Erivan.

To judge from the map, no part of the world would seem

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farther away from everywhere than this tangle of wild hills. For all that, many people have had their eyes upon it. These new republics owe their birth to the collapse of Russia. Their position during the war gave them a peculiar importance from the point of view of the Central Powers. Azerbaijan had a natural sympathy with the Turks, Georgia was taken up for her own purposes by Germany. The third, Erivan, is Armenian, and its peoples held by the Allies. They appear always to have been hated by both their neighbours, not merely on account of their race or even their religion, for the Georgians also are Christians, but perhaps for their reputed possession of the Jews' dangerous gift of being able to live on their fellow-men. Before the crash of the Central Powers the position seems to have been as follows: To Germany, Christian Georgia, with her capital at Tiflis, offered possibilities for the new road to the East which took the place in her dreams of the Baghdad railway when our conquest of Mesopotamia spoilt her plans in the south. Azerbaijan, mainly Moslem, appealed to the Turkish Nationalists in much the same way. The Pan-Turanian movement at the moment was looming large. Compensation had to be found also for their losses in the south, and their chance came with the break-up of Russia. Their object was to link together all the Turkish and Tartar races as far as the Caspian and even beyond. Azerbaijan lay ready to hand, a stepping-stone even to remote Turkestan. The Moslems of Azerbaijan are, it is true, Shiah by religion, but by race they are Tartar and their sympathies are with the Turk. It was to this quarter that Enver retired when the game was up in Constantinople.

There are other people besides the Germans and the Turks who have found this far-away state interesting. Right on the Caspian, at the end of a line which joins that sea to the Black Sea, stands Baku, which is not only the capital of Azerbaijan, but the centre of one of the most famous oilfields in the world. Russia has long depended on

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Baku. It was not only that Azerbaijan was necessary to round up her possessions in the Caucasus, and that it lay on her road to the Middle East generally. More than anyone else she has depended on its oil. That she still has no intention of keeping away is shown by the news that a Soviet revolution has already broken out and Bolshevik troops from the north are reported to be in the town. There are mixed populations in all these republics, but Russians far outnumber the other nationalities in Baku itself. Clearly our plans in these parts and our general Russian policy are bound up together.

As for Erivan, there are complicated boundary questions to settle, as there are in the case of the neighbouring republics, but there is far more than this. It brings up the whole Armenian question. The Treaty contemplates a larger Armenia which is to be formed by joining the Turkish Armenians to the republic, provided that practical effect can be given to the cession. The Erzeroum district would be included, for, though the Turks have always been in a majority there, it is necessary to complete the territories of the new state, and historically the Armenian claim is strong. The difficulty is that no one has hitherto been found willing to accept a mandate. The mandatory must be a powerful state, otherwise his wishes will be disregarded; and at the present time Mustapha Kemal Pasha does what he likes in Turkish Armenia. His headquarters are at Erzeroum itself. A further complication are the Bolshevik symptoms in the north of the country which have followed the revolution in Baku. Clearly it would be a farce to fix the boundaries of the new Armenia until the means are found to enforce the decision of the Conference. The country is not only exceptionally difficult in character, but it is also a long way from the sea. It will help matters to internationalise Batoum on the Black Sea, as the Conference proposes; but when reached it is only on an inland water. Freedom of passage to the open sea will still depend on the holders of the Straits of Constantinople.

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The League of Nations was offered the Armenian mandate in the first instance. It naturally had to decline it, though it is ready to try and find some state to accept it provided that such state's expenses are guaranteed. The only satisfactory solution is that America should undertake the work, and the Peace Conference has now, it is understood, formally asked her if she will do so, with a further proposal, for which provision is made in the Treaty, that the boundaries between the new state and Turkey in the vilayets of Erzeroum, Trebizond, Van and Bitlis, should be fixed by President Wilson. Armenia is recognised by the Treaty as a free and independent state.

Next comes Kurdistan. Like Armenia, it is a land of inhospitable mountains, in which hostile races often live side by side, and the question of a mandate is still unsettled. The Kurds have never liked the Turks, though their fears of vengeance have given the agitator a certain hold over them. Their desire to win their independence has already been mentioned. In religion they are Moslems and Sunnis, but in race and language they are related to the Persians. There are, indeed, over a million of them living over the Persian frontier, and half of these are Shiahhs. In spite of the massacres they have not a name for fanaticism. People say that it was the Turks who instigated the killing, and that if they were left alone Christians and Moslems would soon settle down. British officials who know it speak well of the race. They have supplied Mesopotamia with excellent labourers, and if conditions give them a chance seem likely to succeed as farmers. The fact that the race has one foot in Persia, however, complicates the political situation, just as it does in Azerbaijan, for it becomes harder to make a satisfactory national entity of them. Kurdish districts are also included in Mesopotamia, especially in the Mosul vilayet.

Under the Treaty the Sultan is to recognise the autonomy of Kurdistan, and if its inhabitants should within a stated time appeal to the Council of the League of Nations, upon

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the recommendation of the Council they are to be given complete independence. There are also provisions to protect the Assyro-Chaldeans and to permit those Kurds who are at present included in the Mosul vilayet to join Kurdistan if it receives its independence. The boundaries of Kurdistan itself are to be fixed later.

So much for the northern part of the Middle East. There remains the Arab world, where considerations into which the wishes of the inhabitants or the main interests of the country did not always enter have led to its division into spheres of influence. It is unnecessary to go into the different agreements. As already mentioned the British sphere consists of Mesopotamia and Palestine, the French of Syria. The French at present hold and administer the Syrian coast towns from Tyre to Alexandretta inclusive, while the Emir Feisul, the son of the King of the Hejaz, whose services to the Allies in the war are a matter of common knowledge, rules inland Syria. The cities of Damascus, Hama, Homs, and Aleppo are under his government. For any support or advice he must go to the French and not to the British.

The Hejaz itself is declared by the Treaty to be a free, independent state. Palestine is to remain under the direct administration of the mandatory. Mesopotamia and Syria are made independent states in accordance with Article 22 of the League of Nations, though they are to receive the advice and assistance of mandatories until they are able to stand alone. The boundaries of all three countries are to be fixed by the principal Allied Powers.

Many of the Arabs object to the present arrangement. Their view, which is shared by not a few Europeans, is that it splits up into several parts a country which is essentially one. In the end they will, they say, certainly come together again either in the form of a single state or of a confederation. Nature herself favours this unity. The great rivers would disregard division. So would the nomad. He crosses the country from end to end. There

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is summer pasture in Syria, while winter grazing takes him as far as the Persian Gulf. He is also the carrier of the desert, so that neither Syria nor Arabia can be permanently cut off from Mesopotamia. And the desert will only support a limited number of people. In other countries the surplus go to America. Here the Bedu has an America at his tent door. He just goes to the river strip or he settles in Syria, as he has done from time immemorial. Its outlying settlements are his market towns. The differences between Arabs seem great to the stranger. They really only go skin deep. Townsman, settler, and Bedu may be kept apart by mutual contempt, but all are proud of their descent from the desert. Like their religion they belong to it. What keeps the country one is something deeper than Arab nationality, though the population is in any case mainly Arab. So are its language and its civilisation. This applies to Syria and Palestine as well as to the rest. In Palestine the Zionist claims are based not on the present, but on the past and the future; they count on a large immigration of Jews, who at present form only one-sixth to one-ninth of the inhabitants. The Christian Syrians of the coast and in the Lebanon are against coming into an Arab confederation or kingdom. It is not, however, because they are likely to be ill-treated. Christians are already helping the Arabs to build a state at Damascus. But the Christian population is too small, and if the rest of the country one day comes together it will be impossible to keep it from its natural outlet to the Mediterranean. The Persian Gulf is only a back door. It was circumstance that turned the Arab's back on the West. He really belongs to the Mediterranean. At present he is going through a transition stage. Never before have the windows on to the great world been opened so wide for him as since 1914. Even the Bedu is bound to move with the times, and the settled population is sure to increase. Whatever the practical difficulties, the rich soil that supported Nebuchadnezzar's Empire is still there,

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and all the better for its rest of centuries. Arab nationalism will grow with the settled community. It does not, however, even to-day depend entirely on the towns. Its accepted leader is the son of a Bedu king of the holy tribe of the Koreish. The Hejaz Arabs were not only fighting to assist the Allies ; they were out to win independence. Nor is the Peace Conference dealing with a race of savages, for the Arab belongs to one of the old master races of history. His cousins built the Assyrian Empire. His ancestors helped to make Baghdad a world centre when England was still covered with forests. He has given a distinguished literature and language to the world. The Semitic race, to which he belongs, produced Christ as well as Mahommed. His mediæval Empire fell because it was only held together by an idea. It would be unfair to judge him by what has so far happened at Damascus. Conditions hitherto have not given him a chance. He may at present lack constructive ability. He has, however, keen wits, can learn, and only asks that we should teach him. Such are the arguments. Our own policy and that of the French must depend largely on our view of this matter. There is, for instance, the question of what districts Mesopotamia is to include and where its frontier should be placed. South and west of the mountains there is no natural line short of the back country of Syria. A mandatory could hardly sit down at Basra as has been suggested and let the rest of the country get along as best it may. In the north and north-east we have to settle how much of the mountain region should be taken in. It is partly, but not entirely, a military question. If Mesopotamia is for all time to be a separate state there may be something to be said, other things being equal, for taking in people of a different race in order to add mountains and forests to plains which lack both trees and stone, or to ensure order in districts from which trouble would be sure to spread. If, however, the country is one day to become part of a larger Arab whole, in the absence of other compelling factors, as few non-

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Arabs as possible should be included. Then there are such questions as railway gauges, which have given much trouble in Australia, where the different states grew up with their backs to one another. One thing will certainly make for amalgamation later. Many of Feisul's most active supporters come from Mesopotamia, and they have not forgotten their old country.

Zionist aspirations in Palestine are, however, definitely recognised in the Treaty, which cites and embodies the terms of the declaration made by Mr. Balfour in November, 1917, in a letter to Lord Rothschild. That declaration read as follows :—

“ His Majesty's Government view with favour the establishment in Palestine of a national home for the Jewish people, and will use their best endeavours to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country.”

Such is the groundwork on which the future of the Middle East is to be reconstructed. Whatever people may think about the wisdom of having more than a single mandatory for the Arab world, it is clear that outside assistance cannot at present be dispensed with. To restore the authority of the Turk is out of the question, and something must be built up in its place. If the country were to be left to itself chaos would be the result, and to prevent a state of things which might lead to another war is in the interests of everybody, particularly of the Middle East itself. If, as has sometimes been suggested, we were to cut our loss and quit the country our place would probably be taken by other people, and both the world and the Middle East might fare worse for the change.

To consider in detail what form of government is to be

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set up in the different countries would be outside the scope of such an article as this. The general policy which is to be followed by France and England in Syria and Mesopotamia was, however, the subject of a joint official declaration issued in November, 1918, of which a copy is appended to this article. It has been briefly summarised as binding Great Britain and France to encourage native government in the two countries and without imposition to assure the normal working of such governments as the peoples shall themselves have adopted. Both our obligations and our interest demanded that our aims should rather be a native government advised and assisted by Europeans than a European government advised and assisted by natives.

IV

FROM what has been said above it will be clear that though the conditions in the Middle East are different to those which obtain in Europe, the Peace Conference has in Nationalism something on which it can and should build. Nationalism proper means responsible government, democracy, and the abolition of tyranny. With neither of the two great movements, Pan-Islamism or Nationalism, have we in the West any quarrel. The religion of a people is a matter for themselves. They are perfectly entitled to organise themselves to protect its interests, provided that they respect the rights of other people. Nationalism stands for the peace and progress of the country in their best sense, and so do we. To attempt to crush the new ideas would be a fool's game. Their ferment is all over the world, and every nerve specialist knows to what suppression leads. They can, however, be encouraged to keep in sane channels. It is not as if there were no alternative. In the north there is a different

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sort of brew. The Germans, who have already had a taste of it, call it "Socialismus Asiaticus," and it is already south of the Caucasus. On Bolshevism we could not hope to build.

Whatever may be said of the Peace Conference's scheme in points of detail, it is, at least, a logical attempt to do in the Middle East what has already been done in Europe. The new world there is to be reconstructed on the principle of nationality, and not on the old form of reactionary imperialism. Criticism and bitterness are bound to follow the decisions that have been come to. Deep disappointment is felt on both sides of the Atlantic, especially after the revival of the massacres, that the Turk is, after all, to be left at Constantinople. On the other hand, there will be resentment at the break-up of the Ottoman Empire. Smyrna especially will be a bitter pill.

And yet the Conference's plan does not place any undue hardship on the Turk. It is true that certain necessary restrictions have been imposed. Not only is his Empire, however, being dealt with in the same way as those in Europe, but his national claims are, in spite of all his misdeeds, given equal recognition, territorially, with those of other nationalities. To the Turk's imperialistic aspirations a deaf ear has rightly been turned. Of all the nations, he has in any case least claim to be left in charge of subject races. It is reckoned that during the war 800,000 such people were massacred by his orders and 200,000 deported.

It is essential to realise in what the true issue lies. Considerations such as our former traditional friendship with the Turks and the personal characteristics of the different races of his Empire are merely red herrings drawn across the trail. There is something deeper at stake. The truth is that we cannot expect to run with the hare and hunt with the hounds. To give the Turk another chance, as it is often put, might or might not make our course in India a little smoother. It might or might not

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ease the strain for the moment in Armenia or Anatolia. Such things are, however, beside the point, and it would in any case only postpone the necessity for a real settlement. The question would be sure to revive, and probably in a more difficult form.

It is no moment for opportunist remedies. We stand at the parting of the ways, and two irreconcilable principles are at stake. On the one side is the principle of Nationality, which is backed by the Conference. On the other, though it may use the cloak of religion, is Imperialism at its worst. One road leads forward. It brings the gift of freedom to races and religions on whose neck the Turkish yoke has hitherto pressed. The other leads back. If it were to be taken, minorities of alien race would once more be left to the mercy of one of the most murderous and malign tyrannies that the world has seen, and the whole of the ideal for which we fought in the war, national liberty and responsible government, would be reversed.

TRANSLATION OF ANGLO-FRENCH DECLARATION PUBLISHED
IN LONDON, PARIS, NEW YORK AND CAIRO ON
NOVEMBER 8TH, 1918.

The end which France and Great Britain have in view in their prosecution in the East of the war let loose by German ambition is the complete and definitive liberation of the peoples so long oppressed by the Turks, and the establishment of national Governments and Administrations drawing their authority from the initiative and free choice of indigenous populations.

In order to give effect to these intentions France and Great Britain are agreed to encourage and assist the establishment of indigenous Governments and Administrations in Syria and Mesopotamia, which have already in fact been liberated by the Allies, and in countries whose liberation they are endeavouring to effect, and to recognise the latter as soon as they shall be effectively established. Far from wishing to impose any particular institution on these lands, they have no other care but to assure by their support and effective aid the normal working of the Governments and

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Administrations which they shall have adopted of their free will. To ensure impartial and equal justice, to facilitate economic development by evoking and encouraging indigenous initiative, to foster the spread of education and to put an end to the divisions too long exploited by Turkish policy—such is the rôle which the two Allied Governments assume in the liberated territories.

OFFICIAL SUMMARY OF DRAFT TREATY OF PEACE WITH TURKEY.

The Draft Treaty of Peace now handed to the Turkish representatives is designed, in the first instance, to set forth the conditions upon which the Allied Powers will make peace with Turkey, and in the second place to establish those international arrangements which the Allies have devised for more stable and equitable conditions and in the future for the betterment of mankind. For this latter reason it includes the Covenant of the League of Nations and the International Labour Convention.

The Treaty is divided into 13 parts :—

The first part contains the Covenant of the League of Nations, to which functions are assigned in various places in the Treaty.

The second part describes the new geographical frontiers of Turkey in Europe and Asia.

The third part, which consists of 13 sections, binds the Turks to accept immediate and contemplated political changes in Europe and Asia brought about by the Treaty. This part of the Treaty establishes a special *régime* for the waterways of the Dardanelles, the Bosphorus and the Sea of Marmara ; provides for the autonomy and possible eventual independence of Kurdistan ; creates a special *régime* for the district round Smyrna under Turkish sovereignty but effective Greek administration ; assigns Eastern Thrace approximately up to the Chatalja lines to Greece ; provides for the recognition of two new States, the Hejaz and Armenia, for the provisional recognition of Syria and Mesopotamia as independent States, advised and assisted by a Mandatory, and for the administration of Palestine by a Mandatory, who will be responsible for putting into effect the declaration made by the British Government in 1917 regarding the establishment in Palestine of a National Home for the Jewish people.

It also provides for Turkish recognition of the new situation created by the war in Egypt, the Sudan, Cyprus, and the Ægean Islands, and the French Protectorate in Morocco and Tunis.

The fourth part deals with the protection of religious, racial and linguistic minorities in Turkey, and provides some measure of restitution and reparation for their sufferings during the war.

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The fifth part sets forth the military, naval, and air conditions of peace, limits the armed forces at the disposal of Turkey to the Sultan's bodyguard, gendarmerie, and special elements for the reinforcement of the latter. Compulsory recruiting is abolished in Turkey, and the maintenance of the freedom of the Straits is guaranteed by the creation of a zone round them in which fortifications are to be demolished and France, Great Britain, and Italy reserve the right to maintain military, naval, and air forces. The Turkish Navy is abolished, except for certain vessels retained for peace and fishery duties, and the Turkish Air Force is suppressed.

The sixth part regulates the return of prisoners of war, and imposes obligations on the signatory Powers for the maintenance of all graves of the fallen. Special provisions are inserted regarding the Allied graves in Gallipoli.

The seventh part deals with penalties for those who have committed acts in violation of the laws and customs of war, and who were responsible for the massacres in Turkey during the war.

The eighth part deals with the future financial arrangements in Turkey, and provides for Turkey's financial rehabilitation and for some measure of reparation.

The ninth part contains the economic provisions, re-establishes various non-political treaties and conventions, and lays down the future principles of settlement regarding companies, concessions in Turkey and in territory ceded by Turkey by the Peace.

The tenth part provides for the future of aerial navigation in Turkey.

The eleventh part contains clauses dealing with the international control of ports, waterways, and railways.

The twelfth part contains the Labour Convention.

The thirteenth part is made up of a series of miscellaneous articles, such as the confirmation of Allied Prize Court decisions, and the future of the sanitary *régime* in Turkey and in the territory detached from Turkey. The final clauses deal with the ratification and the entry into force of the Treaty and envisage the eventual accession of Russia to the Treaty.

THE SITUATION IN EGYPT

IT was a great surprise to most people in this country when directly after the termination of the Great War we found ourselves confronted with grave troubles in Egypt. Many years had elapsed since the stormy period of the eighties of last century, when the affairs of Egypt were among the chief anxieties of British statesmen and the subject of heated political controversy at Westminster. The turn of the tide came nearly thirty years ago. By that time, thanks to the wise and patient policy of Lord Cromer, Egypt had been rescued from the slough of poverty, oppression and disorder in which we found her, and was entering on a new era of material prosperity. Financial recuperation and just and orderly government, putting an end to the exactions and cruelties of the old regime, led to an immense improvement in the condition of the mass of the people. For many years the Annual Reports, in which Lord Cromer reviewed in great detail the course of his administration, were an almost monotonous record of material and social progress. Thus, instead of being a constant worry, an entanglement from which we were anxious to escape, Egypt came to be regarded by us with pride, as one of the brightest spots in the wide field of British Imperial rule. And so she remained even after, in 1907, Cromer's guiding hand was withdrawn. Despite some untoward incidents, premonitory symptoms of future trouble, despite the incessant intrigues of the late Khedive and the steady growth of the Nationalist movement which he did so much to foster, our ease of mind with regard to Egypt was not seriously disturbed. And the comparative quiet which prevailed in Egypt throughout the war, even

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when Turkish armies were battering at her gates, was calculated to confirm us in our complacency. It was certainly an unexpected shock when the country, which had passed through the crisis of war with such apparent tranquillity, suddenly burst into turmoil as soon as the war was over.

It is not the object of these pages to recall the grave and tragic events of March and April 1919—the acts of gross barbarity committed by some of the rioters or the stern measures by which disorder was repressed. Suffice it to say that, under the firm and temperate control of Lord Allenby, the countryside seems now to have returned to its normal state of quiet.* Such disorders as still from time to time occur are confined to towns like Cairo, Alexandria, and Tanta, which from time immemorial have been noted for the turbulence of their mobs, and where at present the pressure of high prices is specially felt and is made the most of by the promoters of sedition. Thus there seems little doubt that, with the forces now on the spot, it will be easy to maintain order in Egypt. But that does not dispose of our difficulties. It is impossible to contemplate with equanimity the prospect of having always to keep a considerable army in Egypt, in order to prevent widespread disaffection from breaking into open revolt. What, then, are the causes of the change which has come over the political atmosphere of Egypt since the halcyon middle years of Lord Cromer's administration?

Too much importance must not be attached, in this connection, to the admitted mistakes of British policy. A great deal has been and is being said—it is one of the favourite themes of our Egyptian critics—about the great increase in the number of British officials and the alleged decline in their quality. And it is no doubt true that the number has increased, and of late years, *per incuriam* somewhat exces-

* This applies only to political offences. Crimes of violence, due to cupidity or to private animosities, are still very common among the country population as they always have been.

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sively. But it must be remembered that this is partly due to the constant and growing demand made by the Egyptians themselves for new Government departments and activities of every kind to meet the expanding needs of the country. The efficiency of any branch of the Government service in Egypt, above all of a new branch, still depends largely on the presence of a certain number of Europeans, especially in the higher posts, and it is only natural, in the circumstances that those Europeans should be mainly British.

For all that there is, as has been said, some cause of complaint with regard to the number of British officials. It is much more doubtful whether there has been any deterioration in their quality. Here again the change of circumstances must be taken into account. It is not to be expected that the rank and file of a highly developed administration should be individually up to the same standard as the few picked men who were introduced at the start. Now that the British officials are necessarily reckoned by hundreds, they cannot all be Kitcheners or Scott-Moncrieffs. In this connection it is worth while to recall a passage in Lord Cromer's "Modern Egypt," in which he points out how much is demanded of the ordinary British official :—

The Anglo-Egyptian official must possess some technical knowledge, such as that of the engineer, the accountant or the lawyer ; otherwise he will be unable to deal with the affairs of the Department to which he is attached. . . . He must often explain his ideas in a foreign language, French, with which he has probably only a limited acquaintance. Unless he is to run the risk of falling into the hands of some subordinate, often of doubtful trustworthiness, it is, at all events in respect to many official posts, essential that he should acquire some knowledge of a very difficult Oriental language, Arabic. These, however, are all faculties to which it is possible to apply some fairly accurate test. The Anglo-Egyptian official must be possessed of other qualities, which it is more difficult to gauge with precision. . . . He must be a man of high character. He must have sufficient elasticity of mind to be able to apply, under circumstances which are strange to him, the knowledge which he has acquired elsewhere. He must be possessed of a sound judgment in order to enable him to distinguish between abuses which should be at once reformed

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and those which it will be wise to tolerate, at all events for a time. He must be versatile, and quick to adapt any local feature of the administration to suit his own reforming purposes. He must be well-mannered and conciliatory, and yet not allow his conciliation to degenerate into weakness. He must be firm, and yet not allow his firmness to harden into dictation. He must efface himself as much as possible. In fact, besides his special technical knowledge, he must possess all the qualities which we look for in a trained diplomatist, a good administrator, and an experienced man of the world.

It may well be that the average British official in Egypt does not come up to this high standard, but, as a matter of fact, he never did, nor is it a standard which is attained by or expected of the average Civil Servant anywhere.

Whatever loss of prestige the British element in the administration of Egypt has suffered in recent years (and the extent of that loss may easily be exaggerated) is due rather to a vague and vacillating policy than to any want of zeal and ability in the men appointed to carry it out. It has been a frequent complaint of late days among Anglo-Egyptian officials, that they are ignorant of the ultimate object towards which their efforts should be directed. There was no such indefiniteness of aim in the days of Cromer. But latterly different High Commissioners and different Advisers have held very different views, and changes in these high offices have been frequent. There have been four High Commissioners between Cromer and Allenby, all individually men of high capacity and character in their several ways, but only one of them—Kitchener—of commanding personality. Each of them in succession has been left to take very much his own course, and it is difficult to trace any continuity of direction. Certainly there has been no guidance from home. This is no doubt due to the fact that, as long as Cromer was at the helm, no guidance was thought to be necessary, while, since his retirement, British statesmen have been too much absorbed in other and more urgent anxieties to give much thought to Egypt. And on the rare occasions when they have interfered with "the man

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on the spot," the interference has not always been happy. It may well be that some of the worst mistakes in the handling of Egyptian affairs have been made not in Cairo but in London.

But whatever the faults of our policy or the defects of its agents, the problems which now confront us in Egypt are problems which sooner or later would have arisen in any case. They are the inevitable consequences of our own reforming work. They are difficulties which we have created for ourselves and which, in one sense, we may take some credit for having created. With the growth of material prosperity there has been a great increase in the number of men of wealth and leisure. At the same time there has been a great development of education in the upper and middle classes, while, even among the lower orders, though nine-tenths of them are still wholly illiterate, there are now a certain number who at least can read. And concurrently with the increase of wealth and the spread of education there has been a notable change in the temper of the people. The profound servility born of centuries of Oriental despotism is beginning to give way to a more independent spirit, fostered by contact with the liberal ideas which British influence and example have instilled. This process has been silently going on for years; and if it has not yet greatly affected the mass of the people, it is very manifest in the upper strata of Egyptian society.

What concerns us here is that this rising spirit of independence among the educated and semi-educated is directed in the first instance against British authority. The old ruling class, the Pashas mainly of Turkish origin, have always chafed at the restrictions which our presence imposed on their former arbitrary power. They have now been reinforced by the *intelligenza*, greatly increased as it is in numbers, and comprising some men who are capable, and many more who think themselves capable, of playing a part in public affairs. Among this latter class the lawyers of the Native Courts and the students of the Higher

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Schools are the most energetic and aggressive. Young Egypt, growing rich, and proud of its new-found "culture," is no longer content to be kept in foreign leading-strings. Its revolt is inspired partly, no doubt, by genuine patriotism, but even more largely by the desire of personal advancement on the part of great numbers of men whose education has fitted them for nothing but posts in the Government service. It is obvious that, if the British officials could be got rid of, there would be more such posts, though even then not enough to provide for one quarter of the aspirants. Add to these forces the influence of Moslem fanaticism, with its focus in the University of El Azhar, and you have the main elements of Egyptian "Nationalism." It is a highly complex movement, and embraces men of the most various types and tendencies—mediaeval Reactionaries and ultra-modern Radicals, orthodox Moslems and complete free-thinkers, the Princes of the Khedivial family and the mob of the great towns. Deeply divided among themselves and suspicious of one another, they are yet all united in claiming, with more or less sincerity and insistence, that the government of Egypt should be transferred to Egyptian hands. The crucial question, which Egyptian hands, is for the moment left in abeyance. And prudently so, for, if once they began to discuss the future constitution of a wholly independent Egypt, the ranks of the Nationalists would be split into a number of conflicting factions.

Nationalism has been a growth of years and an inevitable growth, but it has undoubtedly made great progress since the end of the war, both in the extent of its demands and the number of its adherents. It is probable that Zaghloul Pasha and his "Delegation," when they first entered the field, would have been satisfied, at least for the time, with something far short of "complete independence." But, as often happens in movements of this kind, the ball once set rolling has got out of control, and the nominal leaders are obliged to heighten their demands for fear of losing all

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hold on their excited followers. Moreover, in this instance many influences have concurred in the last year and a half to strengthen the hands of the Extremists. Not only the events which have happened in Egypt itself, but the unsettlement of the neighbouring Arab countries, the delay in concluding peace with Turkey, the general unrest throughout the world and the intoxicating effect of the new doctrine of "self-determination" have all contributed to create an atmosphere most favourable to revolutionary ideas. Cool-headed observers may indeed think that, especially with a people at once so excitable and so easily discouraged as the Egyptians, the present agitation is too violent to last, that it is a fire running through stubble which will soon burn itself out. But, be that as it may, the fact remains that, in the present inflamed condition of public feeling, no native voices are raised in public to protest against its excesses. Many Moderates there certainly are, among professing Nationalists, who at heart are quite out of sympathy with the clamour for the immediate complete withdrawal of British authority, as all decent men must condemn the crimes by which it has been accompanied. They would contemplate with horror the chaos which must inevitably result, if Great Britain were in fact to leave Egypt to her own devices. But, comforting themselves with the thought that Great Britain will certainly do nothing of the kind, they are not disposed to face the unpopularity of openly dissenting from the "patriotic" programme, and thus exposing themselves to domiciliary visits from students and school-boys and to the abuse of the native Press.

And so, with nobody venturing openly to oppose it, the anti-British crusade has been carried on with ever-increasing vigour. The native newspapers, with few exceptions, have striven to outbid one another in the extravagance of their diatribes, until quite recently the censorship, which was only taken off some six months before, had perforce to be reimposed. One public body after another has been

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induced to pass resolutions in support of the agitation. There is no difficulty in raising large sums of money for carrying it on. The leaders of the movement have thus much evidence to justify their repeated assertion that they have the whole of the country at their back. All that is vocal in Egypt is certainly on their side. It is true that the fellaheen, who form three-fourths of the population, and whose steady industry is the bed-rock of Egyptian welfare, regard the whole business with indifference, and would gladly be let alone. But the sophisticated *literati* who are making all the noise have a genuine contempt for this uneducated and voiceless peasantry. "The fellah," they say, "does not count."

This, then, is the situation with which we find ourselves confronted. That Great Britain can keep her present hold on Egypt by force, is not open to question. The Nationalist leaders themselves are the first to admit it. She could do so, even if a majority of the people were disposed to rebellion, and as a matter of fact rebellion against the existing regime is as alien to the temper of the fellaheen as it would certainly be fatal to their interests. The outbreak of the spring of 1919 was due, in the main, to temporary causes incidental to the war, and even so it was confined to the riff-raff of the countryside, and found little support among the genuine peasantry. But, on the other hand, there is a violent spirit of revolt against British control among the leaders of native public opinion. The native Press, the native Courts, the officers of the native Army, the native officials in the public service are all, in greater or less degree, affected by it. Unless something can be done to stem the tide of disaffection, it will be increasingly difficult to find natives of standing to fill the high offices of State, and we may be forced to take the administration of the country entirely into British hands. That is a prospect so formidable, so complete a reversal of the policy we have hitherto pursued, that it is impossible to contemplate it without extreme aversion.

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Is there no way of avoiding such a disaster ? Or, to put the question in a more definite form, is there no way of reconciling the aims of British policy in Egypt with what is sane and reasonable in Egyptian Nationalism ? Fundamentally this should not be impossible. It would not be in the interests of England, nor has it ever been her desire, to convert Egypt into a Crown Colony. The Egyptians who keep on fulminating against our supposed policy of "Colonialism" are simply beating the air. Great Britain has certain vital interests in Egypt, and those interests are of a permanent kind. They are more important than ever to-day, having regard, in the political sphere, to our increased responsibilities in the Near East, and, in the economic sphere, to our growing dependence on Egyptian cotton. But these are not interests, the defence of which necessarily involves our taking charge of the whole government of Egypt. A peaceful and progressive Egypt, in friendly alliance with Great Britain, and screened by that alliance from international interference, would completely serve our purpose. There is nothing in this incompatible with the ideal of Egyptian independence, reasonably interpreted. And, on the other hand, there are many Nationalists whose hostility would be completely disarmed, if they were convinced of the sincerity of our repeatedly expressed intention to help their country to stand on its own legs. Too much must not be made of their reluctance to come into the open to curb the extravagance of the present agitation. It is not easy for them to do so, as long as the controversy is confined to catchwords. What self-respecting Egyptian can be expected to say that, *in principle*, he is not in favour of the "complete independence" of his country ? But once let the discussion turn upon the practical steps which must be taken, if that independence is to be real and lasting, and many even among advanced Nationalists will be ready to admit, that Egypt is still far from fit to dispense with British assistance, and that in certain respects she must always stand in a closer relation to Great Britain than to

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any other foreign country. Despite the differences between us, and the bitterness which those differences have recently engendered, there is in the minds of thoughtful Nationalists a strong underlying sense of the comparative unselfishness of British policy ; and, in so far as their country remains under foreign influence at all, they would prefer that influence to be British.

It must be admitted that we have done little of recent years to encourage these moderate elements of Egyptian Nationalism. It is not sufficient for them that we should go on repeating that the ultimate aim of our policy is to enable Egypt to govern herself, that we are only her guides and teachers, and that this tutelary relationship is essentially transient. The answer is obvious : " You have been here for nearly forty years, and how much nearer are we to the goal to which you profess to be directing us ? " To that we may reply that Egypt really is nearer the goal, that the progress she has made in forty years is not only material, but intellectual and moral, that the number of native Egyptians capable of taking part in the work of government, and indeed actually engaged in it, is constantly on the increase. It is really absurd to contend that the Egyptian people are not much freer to-day, not much nearer to anything that can be truly called independence, than they were in the time of Ismail. And we may reply further that it is quite untrue to say that we have ever taken all power into our own hands, or that Egyptian Officials, Egyptian Ministers and Egyptian Khedives have been mere puppets, and not partners with us in the work of government. The system of dualism which has in fact existed may have had many defects, but it has been not a sham but a reality. And in so far as our authority has at any time prevailed, it has always been exercised not for our own advantage but in the interests of the great mass of the Egyptian people.

But when all this has been urged, can we honestly go on to say that the progress of Egypt towards an independent

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national life has been as rapid, or that our efforts in that direction have been as consistent and as whole-hearted, as they might have been? To build up an independent Egypt was, indeed, always the policy of Cromer, but in his later years the goal towards which he strove seemed in his own eyes to be receding further and further into the distance. And since Cromer's day British policy has swayed backwards and forwards, and measures have sometimes been adopted which it is difficult to reconcile with any policy at all. The time has certainly come to review the whole position, and to consider, if possible in concert with moderate native opinion, what practical steps can now be taken to accelerate the pace of Egypt's political progress.

Do not let it be supposed that, even if discussion takes this practical turn, agreement will be easy. The natural line of advance would be to follow the Indian principle of dyarchy. And no doubt something can be done in that direction. But it will be difficult to select the departments of government, which can at once be transferred to purely native control without risk not only of loss of efficiency, but of even more serious evils. The Egyptians themselves can hardly be expected to realise where their principal weakness lies. They are as a rule ready enough to admit that they still stand in need of European, and preferably of British, assistance. But the assistance which they feel themselves to require is, to use their own favourite expression, "technical"—the help, that is to say, of experts in various branches of the administration working under the direction of native chiefs. Such help, they say, and no doubt truly, they would be willing to retain, or to procure, even at a very high cost. But this does not really touch the root of the difficulty. Egypt had plenty of European "experts" in the time of Ismail. The great danger which threatens a purely Egyptian administration is not lack of technical efficiency—Egyptians can be and are being trained in that, and shortcomings can always be supplied, at a price, by

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the importation of foreigners—but jobbery, nepotism and corruption, with that oppression of the weaker classes of the community to which they invariably lead. It is against these evils that the British element in every department has had persistently to struggle. They are far from having been eradicated; and, if British influence were to be precipitately withdrawn, they would be certain once more to gain the upper hand.

It may be said that we must after all set some limit to our reforming zeal, that it is neither practical nor yet our business to try to alter the whole character of a nation, and that, if we are going to wait till we have eradicated jobbery and corruption before we regard our work in Egypt as finished, we may wait till the Greek Kalends. Are jobbery and corruption wholly unknown in our own enlightened country? Is it incumbent on us to provide Egypt with an administration more immaculate than her people themselves desire? Is it not possible that the Egyptians may even prefer to be somewhat worse governed—according to our standards—by their own countrymen than better governed by strangers? May it not be worth while to buy contentment at a certain sacrifice of efficiency, even if the lessening of friction, which contentment is calculated to bring about, does not itself make for efficiency in the long run? No doubt there is great force in these arguments. But it is all a question of degree. Certainly we cannot afford to strive for ideal perfection. But neither can we afford wholly to withdraw our guiding hand, until there is a reasonable chance that our withdrawal will not be followed by a recurrence of too many of the old abuses. Maladministration, if it reached a certain point, would certainly result, as it did forty years ago, in the complete breakdown of social order. And such a breakdown in a country like Egypt, where foreign interests are so manifold and so important, and where foreign residents are numbered by the hundred thousand, would threaten the peace of the world.

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If the international aspect of the Egyptian question can never be left out of mind, no more can certain recent changes in the internal condition of the country. New economic and social problems loom ahead—the outcome of its astounding, if precarious, advance in material prosperity. Egypt is above all an agricultural country, and in the last year or two the value of her agricultural products has risen by leaps and bounds. Cotton, by far the most important crop, which used to sell for £3 or £4 a cantar (cwt.), has jumped up to as much as £20 and £30. Good agricultural land has been known to fetch as much as £500 an acre and even more. Enormous fortunes have been made by landowners, merchants and speculators. But the majority of the people have benefited little by this phenomenal increase of wealth; indeed, not a few of them are actually suffering from it. The poorer class of the townspeople are brought to the verge of starvation by the rise of prices. In the country districts, while freeholders, large and small, are exceptionally prosperous, great numbers of the fellaheen, who own little or no land but live by cultivating a few acres hired from their wealthier neighbours, are threatened with an enormous rise of rent. From one cause or another the great accumulation of riches throughout the country is singularly ill distributed. And herein lies a great danger. Fabulous fortunes and unbridled luxury present too glaring a contrast to the extremely low level of comfort, and even decency, on which the mass of the people still live. Under these conditions even the most primitive race must feel some stirrings of that social ferment which is agitating all the more advanced countries of the world. And, as a matter of fact, the yeast is already working. Strikes, formerly unknown in Egypt, are now of constant occurrence in the towns. It cannot be long before the movement of revolt against the gross inequality of social conditions extends to the crowded population of the country districts. We are at the beginning of a new chapter in the history of Egypt. Nothing is more probable than that in the

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next decade the political controversy, which has hitherto occupied the stage, will be submerged by the Social Question.

The imminence of these troubles calls urgently for measures of social reform, enabling the mass of the people to benefit in some measure from the opportunity of bettering their condition, which the increase of national wealth affords. Public Health, which is still in an appalling state, the Land Laws and the distribution of land, Municipal Government, Elementary Education—these are some of the things which need to be taken vigorously in hand, and they must be dealt with in a very broad and liberal spirit. They all involve the expenditure of a great deal of money. And the money is there in abundance, but it cannot be drawn out of private pockets, which are nevertheless often so full as to be a perfect curse to their owners. An inadequate and inequitable system of taxation blocks the road to reform. But this cannot be put right as long as foreigners, however wealthy, are exempted by the Capitulations from having to contribute to the cost of public services, even of those from which they themselves derive the greatest benefit. This is one of the strongest reasons why the antiquated system of the Capitulations, which not only in this but in many other respects impedes the progress of Egypt, should be got rid of, and some better method of safeguarding legitimate foreign interest substituted for it.

In view of all these difficulties, with which a purely native administration would not be competent to deal, Egypt cannot afford to dispense with British assistance. But that does not mean that things can go on just as they are. On the contrary, it is more than ever necessary to put an end to the ambiguities of the constitutional position and to the growing tension between British and Egyptians, which threatens to paralyse the administrative machine. No Government can tackle problems so delicate and complex if it is a house divided against itself. Co-operation is essential, and hearty co-operation will only

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be possible when the respective rights and responsibilities of all parties have been clearly defined. Egypt stands greatly in need of an Organic Law. The limits of British control, the relations of the Egyptian authorities to one another, the privileges of foreigners—all these require demarcation. The British Government, by their recent despatch of a Special Mission to Egypt, have shown that they at least realise the necessities of the situation. Whatever the outcome of that Mission, it is certain that the constitution of Egypt cannot be left in its present indeterminate and unsatisfactory state.

Enough has been said to illustrate the pitfalls by which the introduction of the necessary changes is beset on every hand. And yet we must not let these difficulties discourage us overmuch. The problem is not insoluble, if only it is approached in the right spirit. This is not a matter for bargaining. The settlement of it ought not to be a haggle, one party trying to grab as much as it can, the other to yield no more than it is obliged to. Rather should British and Egyptians alike regard themselves as associates in a difficult enterprise—the elaboration of the best practical system of government for Egypt. There is one test only—the good of Egypt—by which every point of difference regarding the distribution of political power should be tried. That Egyptians should want to be masters in their own house is most natural, and we have no desire to prevent them, provided that the house is kept in reasonable order. The genuine independence of Egypt, within the British ring fence, is an object at which we too should aim.

But if Egyptians are to believe that we are really sincere in these views, something more must be done on our side. The vague expression of good intentions is no longer enough. A definite scheme needs to be put forward, showing how far we are prepared to go at once, and under what conditions we may go further hereafter. For then moderate Nationalists will have something to work for. They will be able to come over to the side of Government without exposing themselves

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to the charge of want of patriotism, and may even succeed in persuading some of those, who are now wasting their time in barren polemics, that it is only by co-operating with the British and not by seeking to thwart them that Egyptian Nationalism can ever hope to attain its legitimate ends.

✓ AMERICA AND THE TREATY

ON the evening of March 19, 1920, by a vote of forty-nine to thirty-five, the Senate of the United States refused for a second time to authorise President Wilson to exchange ratifications of the Treaty of Versailles. The President may, but probably will not, further humiliate himself and the country by submitting the Treaty once more to the Senate's treatment. Such a step would be useless unless he should accompany it by a gesture of generosity toward his political enemies. Magnanimity is rare in human conduct, even when the healing of the world waits upon it. Lincoln might have spoken the word, perhaps no other man but Lincoln. Those who claim to know the temper of the American people believe that even to-day President Wilson could recapture the imagination of the country, secure a prompt ratification, and win a striking political victory if he should return the Treaty to the Chairman of the Senate Foreign Relations Committee with a magnanimous message, admitting his own mistakes and asking for a truce in the political battle which has jeopardised the honour of America and plunged Europe deeper into chaos. Other persons, less expert in national psychology, but better judges of individual character, assert that the quality of magnanimity is lacking in the President's nature, and that even though he might be inspired or persuaded to take such a step, the bitter and longstanding hatred of the opposition Senators would make his capitulation useless. From time to time a rumour has rippled over the face of the Press that peace might come through a joint resolution of Congress. The argument is simple and plausible, but it may be doubted if it is practical.

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Aside from the fact that a joint resolution probably could not carry over the President's veto, the Democratic party out of loyalty will have nothing to do with it. It might also be questionable strategy for the Republican party to risk it at this juncture.

I

THE United States has thus found not "Peace without victory," but victory without peace. She alone among the world Powers is still at war with Germany. Her troops are on the Rhine, but under the terms of the Armistice: British and French troops in the same territory are operating under the terms of the Treaty of Versailles. The Department of State will not *visé* passports of American citizens who wish to travel for business or pleasure in enemy territory, while French, British and Italians pass freely in and out of Germany and Austria. Extraordinary war boards are still in active existence, extraordinary war legislation is still effective, and both these vexations are terminable only by a Presidential proclamation that the war is ended.

Not only are the people harassed by the continuation of war-time conditions long after hostilities have ceased. They are perplexed about the status of the United States. Europe, restive and resentful over America's withdrawal from the post-war settlement, is confused by the several conflicting positions taken by the American authorities. The people of the United States share their perplexity. They cannot understand the theory which gives their country an "unofficial" representative on the Reparations Commission, and allows him to appear in the conferences of the Allied Ministers as an "interested observer," yet precludes him from taking even an unofficial part in such things as the proposed Russian investigation. Officially the United States refuses to join the League of Nations; but the same Senate which rejects the League passes a

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resolution indicating sympathy with the aspirations of Ireland, whereas the only diplomatic channel through which that sympathy can be rendered effective is through the League. Apparently the United States is not prepared to assist in the Turkish settlement, either by counsel or by accepting a mandate, yet Ambassador Gerard, "speaking on behalf of 20,000 ministers, 85 bishops, 250 college and university presidents, and 40 governors," protests to Mr. Balfour against the imagined intentions of the Allies toward Armenia, and the President himself has recently registered an emphatic dissent to important features of the Turkish Treaty. Europe can be no more puzzled by these strange contradictions than are the Americans themselves. Their President is a broken man, their State Department is crippled, their legislative bodies are caught in the toils of war-bonus agitation. There is no apparent direction of foreign policy. It is confusion worse confounded.

They are perplexed by their situation, and they are chagrined. It does not particularly interest them that they are said to have lost the good opinion of other nations. It is a regrettable circumstance, perhaps, but beside the point. What troubles them most of all is the haunting sense that they have lost their own self-respect. Out of 31 editorials published in as many papers of the country immediately after the Senate fiasco, one may perhaps be cited. It is taken from the *Atlanta Constitution*, and it is representative of them all:—

As much as the final rejection of the peace treaty by the Senate is to be deplored, the American people and the world have at least the consolation of knowing now precisely where this country stands in its relationship toward the rest of mankind. We of the United States now have the satisfaction of knowing that so far as team-work among the enlightened nations to the end of reconstructing and pacifying the world goes, we, for the time being at least, are out of it. Our status is fixed, so far as the present Senate can fix it. We are left in the attitude of having turned tail and fled from the situation which we, more than any other nation involved, were instrumental in bringing

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about. The anarchy in Russia ; the revolutionary turmoil in Germany ; the famine that is killing thousands in the Near East ; the chaos that exists in the new Slavic nations ; the controversy over Fiume ; the domestic difficulties with which Great Britain is struggling ; the industrial and economic unrest that prevails in our own country, in Italy, in France, in South America, in practically every other nation—it is all due primarily to the fact that the Republican machine politicians and a few soured Democratic Senators have for the greater part of the last year been playing cheap politics with the peace treaty and the League of Nations Covenant.

II

THIS is stirring self-denunciation, but what does it signify ? Are the American people, after all, eager to accept international responsibilities ; or, if not eager, are they ready to shoulder them in the spirit of duty ? And did " cheap politics " prevent the realisation of this desire or the acceptance of this duty ?

It can serve no useful purpose to recount the successive stages in the Treaty's defeat. On the other hand, certain things may be said in summary.

The Senate, it is said by the President's friends, fiddled while America burned with righteous indignation. Yet if ever a signal was lifted to fiddlers it was lifted by the President himself in October, 1918. Till then the war had been conducted on a non-partisan basis. To be sure, Root and Roosevelt had been slighted, Taft had not been used to the limit of his ability, and in the judgment and language of the country Leonard Wood " had been given a raw deal." These grievances however, were not voiced, nor would the public have listened to them. The people were united to win the war, and for the most part the Administration justified their support ; but from that day in October, 1918, when Wilson broke truce and appealed to the country to return him a Democratic Congress every element of political hostility was released and ruthless. So far as the Senate was concerned, this hostility crys-

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tallised in two party groups, each aiming to secure a political victory, each unwilling to compromise, and each hopelessly deaf to the importunities of their country and of the world. Into this *impasse* strode the Irreconcilables, and imposed their purpose upon the overwhelming majority of their colleagues. To this extent "cheap politics" were responsible for the event.

Nevertheless, one may venture to assert that the final vote in the Senate corresponded roughly to the opinion of the people. Forty-nine Senators wanted ratification with substantial reservations which would "safeguard American principles and interests." Twenty-one preferred the Treaty and the League in their original form, or with interpretative reservations of an unobjectionable character. Fourteen Senators would have rejected it openly and brazenly, a few because they hated Europe and all its works, a few because they hated the President with a hatred that passeth understanding, most of them simply because they were irreconcilable. As in the Senate, so in the country, an overwhelming majority of real as opposed to "hyphenate" Americans, wanted ratification in some form. The American Federation of Labour had gone on record in its favour. Churches, colleges and chambers of commerce had deluged the Senate with petitions demanding a prompt settlement on any reasonable basis. But as in the Senate, so also in the country, a majority within a majority wanted to "Americanise" the Treaty. The bitterest critics of America's position have seized upon this characteristic expression as evidence not only of provincialism, but of a kind of Prussianism. America, they say, would impose her own brand of "Kultur" upon the rest of the world. The word "Americanise" may perhaps be open to such an interpretation, but those who use it have no such meaning in mind. They mean only this—that regardless of the obligations which may be assumed by other signatories to the Treaty of Peace and other members of the League of Nations, America's ratification must be qualified by

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confining her obligations within limits imposed by the Constitution of the United States, by her traditional principles of foreign policy, and by the disposition of her people. The plain citizen feels that though it may be dishonourable to fail to ratify the Treaty and fail to join the League of Nations, it is far more dishonourable to sweep magnificently into an association of nations with professions of high intention and full co-operation, without giving honest notice of the limits within which co-operation must be contained.

Article X. has been and always will be the stumbling block. Patient and learned friends may explain until the end of time that a Treaty of Peace ratified by the Senate becomes a part of the legislation of Congress and is therefore subject and subordinate to the provisions of the Constitution. Their patience, their learning and their ultimate exasperation cannot shake the conviction of a majority of the people that an American representative on the League of Nations Council would have power to take the United States into a war for the enforcement of the guarantee provided by Article X. Until a reservation is appended which gives clear notice to the world that no action can constitutionally be taken by the United States under this Article except by Congress, the Covenant of the League of Nations will remain unacceptable.

Even with this change it will be a significant moment in the history of the United States when she becomes a member of the League of Nations. In one of the opening sentences in the second chapter of "The Responsibilities of the League," Lord Eustace Percy writes: "America's participation in the war and President Wilson's leadership in the preparation of peace have aroused expectations which it is neither in the power of her statesmen nor in the mind of her people to fulfil." So far as the American people were concerned, the war was a brilliant but unnatural episode in their national life. Beyond the definite object of defeating the Germans and the indefinite object of

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"making the world safe for democracy" they never really thought. They regarded victory as an end in itself and not as the first step to peace. They entered wholeheartedly into a war that was to end war, but just how or at what further sacrifice this desirable result was to be attained they could not say. They were aware of the fact that a League of Nations would appear on the agenda of the Peace Conference, but if they visualised the League at all, they pictured it as a glorified Hague Tribunal which might possibly discuss and recommend a programme of proportional disarmament.

No enemy of the League has concretely shown a more plausible way of ending the war and of making the world safe for democracy than through the Covenant of the League of Nations. Yet, at the moment of entering upon the logical fruits of her participation in the war, America hears strangely familiar voices whisper to her that it is not an association of sovereign powers but a super-state; that it is an "entangling alliance" of the most sinister sort. And a nation whose whole tradition has been one of isolation and security hesitates and holds back. Europe bitterly reproaches President Wilson for his alleged misrepresentation of America's attitude. France complains that after she had surrendered her own security in order to gain the support of the United States, the United States abandoned her. Italy asserts that she yielded many just claims in deference to the wishes of a faithless nation. And England, who was prepared to give up the principle of the balance of power in Europe in exchange for an Anglo-Saxon League of Nations, now feels that the United States has "let her down." Better might these peoples reproach their statesmen for their unabashed ignorance of the Constitution, the traditions and the disposition of the United States.

How does all this agree with the quotation from the *Atlanta Constitution* and similar expressions of editorial opinion which appeared on the day following the Senate's

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failure to ratify the Treaty? It does not agree at all. There is no more consistency between these two views and the tendencies they represent than there is between any two conflicting tendencies of human character. One is the expression of an impulse born out of participation in the war, partly humanitarian in its nature, calling the United States to assist in the relief and reconstruction of the world; partly an impulse which springs from a sense of honour, reminding her of the community of interest which she felt with the Allies during the last years of the war; partly a romantic impulse, which summons her to greater power, fresh fields of adventure, new markets, and extended trade. There lies the prospect—unselfish, honourable, romantic and profitable. Against this another force is working in the mind of the country and in the mind of almost every citizen in spite of the idealistic impulses freshened by America's part in the war. *Coelum non animus mutant qui trans mare currunt*. It is the instinct of security, handed down as a heritage from those early settlers of the seventeenth century who found refuge in the United States from the persecution of Europe, a heritage transmitted to them through generations of pioneers who built stockades for defence against the Indian tribes. It is the legacy of Washington and of Monroe. It is the legacy of Daniel Boone, the great pioneer in the colonisation of the West. It is revived by the feeling that Europe might easily embroil the United States in European affairs, that she might be glad of an opportunity to use the money, the prestige and the military power of the United States for her own purposes; and that the diplomatic skill of American statesmen is not the match for European intrigue. The first impulse by itself would have led the United States to accept the Treaty in its original form. The instinct for security alone would have led to a prompt rejection. The Treaty with reservations is the resultant of these two forces in conflict. Expressed in impressive terms, it is the conflict between nationalism and internationalism. One may

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read about it at length in the books. Or it may all be found in a verse which runs :—

“ Mother, may I go out to swim ?
Yes, my darling daughter !
Hang your clothes on a hickory limb,
But don't go near the water ! ”

III

THE most ardent advocate of the League of Nations is now convinced that there must be reservations. What he most fears is the slow but unmistakable trend which indicates that even ratification with reservations is of doubtful issue. He has seen the impulse toward co-operation in a plan for the improvement of international relations grow weaker, and the instinct for isolation and security grow stronger, not only because of a natural reaction after the war, but also because of certain circumstances which have exerted an influence in that direction upon the minds of the American people.

First of all, the terms of the Treaty have been the subject of severe criticism. Official discussion, particularly the Senate debates, has exhibited very little of this spirit. Except for the Shantung settlement, their attention has been mainly devoted to an examination of the articles of the Covenant. This very fact, this lack of the background of previous public discussion has greatly intensified the influence of Keynes' "Economic Consequences of the Peace" upon the minds of the people. It was first in the field of intelligent criticism, and more than 50,000 copies have already been sold in the United States. Though the majority of its readers remember the personal judgments which Keynes indulges in better than they remember his coal figures, his book is summarily regarded as a complete revelation of the "enormities of Paris." Keynes' attack was doubtless intended to stimulate the

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English-reading world to a realisation of the continued need for international co-operation in the liquidation of war problems. Its effect in the United States has been just the opposite. It has confirmed their instinct toward security. It has confirmed their feeling that the problem is essentially a European problem after all, that it is an affair in which they do not wish to be further embroiled, that England and Europe want America's help merely for the sake of the financial assistance she might render, and that the failure of the American delegation in Paris to secure a settlement that would be workable from an economic standpoint proves conclusively that American statesmanship is no match for the intrigue of foreign chancelleries.

Again, the social and economic situation existing in Europe at the present moment is not of a kind to call forth America's finer impulses. It is tragic, to be sure, it is disastrous, and there is every disposition to lend generous assistance through private channels. It is not necessary to name more than the Joint Distribution Committee, the Near East Relief Committee, the American Friends' Service Committee, the Committee for Ukrainian Relief. These are prominent examples of the innumerable societies which are freely giving hundreds of millions of dollars to relieve the misery of Europe. It is, perhaps, not realised that Mr. Hoover's organisation, the American Relief Administration, is feeding 2,715,000 under-nourished children of Central Europe day in and day out with funds derived from private gift. The United States Grain Corporation, with the generous assistance of British shipping, is to-day "selling" 5,000,000 barrels of soft wheat flour to Poland, Austria, Czecho-Slovakia and Hungary on "credit" terms that have not yet been arranged.

This matter of European relief, however, is essentially a private enterprise. The action of the United States Treasury in refusing to extend further loans to European Governments indicates the line where America's generosity

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must end. When it does end the interruption seems to be marked with a certain vigorous quality of expression. Witness Secretary Houston's recent statement before the Chicago Chamber of Commerce: "We have greatly aided Europe since the war. We have extended credits amounting to \$4,000,000,000, but direct Government loans have ceased, except so far as present commitments are concerned. . . . Simply because of what this country did during the war some European nations seem to think that we should solve all their problems now." It is commonly felt in other places than Washington that European countries must find their own feet, reconstruct their finances and their systems of taxation, reduce their expenditures for military establishments and operations, and get back to production. The attitude taken by the Treasury Department is not inconsistent with private relief, and such relief will continue for many months to come. But generously disposed givers are somewhat shaken in their faith when they read statements like the concluding paragraph of Sisley Huddleston's article in the *Atlantic Monthly* for May, 1920:—

Turn where one will, one finds only that the war has worsened mankind. Those who speak of the heroic virtues which are born on the battlefield, which spring, like the Phoenix, out of the ashes of war, are uttering the most stupid claptrap. The dominion of darkness has spread over Europe, and a slimy progeny of cruelty, of bestiality, of insensibility, of egoism, of violence, of materiality, has crawled into the light of day—a noisome brood, of which it will be long before we can dispossess ourselves.

A statement of this sort sent to America from Europe makes one wonder whether Secretary Houston's description of the policy of European relief by Government credits is not equally applicable to private assistance: "As if we should send good money after bad—into the bottomless pit."

There are also domestic difficulties in the United States which tend to divert attention from Europe toward those things which are nearer to men's "business and bosoms."

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The passage of the Eighteenth Amendment and the consequent enforcement of National Prohibition has necessitated a readjustment in many men's lives which occupies their thought to the exclusion of everything else. Prohibition continues to be one of the chief subjects of discussion in every circle of society. There are problems of character common to all nations which shared in the war—the increased cost of living, the relations between capital and labour, retrenchment in national expenditure, the morbid fear of Bolshevism, and, over the border, Mexico, now shaken by a fresh revolutionary spasm. As in other countries, these matters are always in the front of the picture to the obliteration of more distant things. In addition, certain indications from abroad threaten to disturb the delicate balance between the two conflicting purposes which are struggling to dominate the decision of the United States. They had best be summarised in a word: A League of Nations has been established, even without the adhesion of the United States. What evidence is there that the existence of the League has changed the traditional conduct of its constituent members? Has it given proof of a disposition on their part to make it an instrument for healing the world? Possibly a policy of moderation almost to the point of self-effacement is and ought to be the present policy of the League. Yet the question arises whether a more positive and independent attitude on its part would not have dispelled a fear that Europe is reverting to those practices in diplomacy and trade which she disavowed in Paris. A manifestation of the League might have gained greater favour in the suspended judgment of the United States than its apparent policy of "watchful waiting." America's temperamental conduct has been deferred to. Her better impulses have grown jaded. They needed to be challenged, and for lack of that challenge they are dying out.

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IV

WHEN Mr. Borah of Idaho stood in the Senate in July 1919 and announced that he would fight the League of Nations to the bitter end, his impassioned speech was greeted with amused tolerance. For in spite of certain differences of opinion between Wilson and the opposition Senators, ratification in one form or another seemed inevitable. Predictions were upset by the event of March 19, and since that time political prophets have become exceedingly cautious. Until mid-April it was the guardedly expressed opinion that the Treaty would ultimately be ratified; that the step would be taken reluctantly and rather by way of the discharge of an overdue obligation; that there would be substantial reservations with respect to the preservation of political independence and territorial integrity even "as against external aggression"; and that the United States would not accept the strange and distant responsibility of a mandate. Just how and when this qualified decision would be taken your cautious prophet was loath to predict. Not this summer, he thought, because there appeared to be little chance of the Treaty's re-submission to the Senate. Nor this autumn, as the direct consequence of a "great and solemn referendum," because though the unimportant differences between the majority of Republican voters and the majority of Democratic voters might be fashioned into an issue, that issue would be lost in the multitude of matters upon which the electorate would be compelled to pass judgment. If the generally expected Republican victory should occur in November, it was thought that the party might reassert the principle of expansion which formerly distinguished it from the Democratic party; that it might resume the mantle which for three years had rested on unaccustomed shoulders. Thus a ratification of the Treaty by a Republi-

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can President and Congress with reservations similar to those sponsored by Senator Lodge would be the probable outcome.

This prediction was based upon certain deductions from what was regarded a few weeks ago as an axiom—that nothing could stem the triumphant progress of the Republican party to victory in November. The Democratic administration was increasingly unpopular, there were evidences of dissensions within the party itself—between Wilson and Bryan, between Senators Underwood and Hitchcock, between Senator Reed of Missouri and the whole party—and no Democratic candidate of pre-eminent ability was in sight. These circumstances tended to confirm the view that even though the Republicans might nominate King Log himself, he would be borne into the promised land on the shoulders of an overwhelming majority, and would amiably preside over the affairs of the country for four fat years of plenty. Leonard Wood and Hoover, to be sure, were both honourable men, and they were supported by substantial elements in the community. But they were not really of the party, and the hour had struck at last for the office to be bestowed upon an experienced party man, say a Lowden or a Harding, say Governor Sproul of Pennsylvania—all good Republicans, and “bridle-wise.”

The prediction was also based upon the not unnatural assumption that the national elections would be held in November, and that the contest would be between the two great parties. Then came Hiram Johnson, and, like his colleague in Irreconcilability, Senator Borah, he upset every calculation. Johnson is a Republican, but he is little loved by the leaders of his party; for it was his rebellious Progressivism which gave the State of California and victory to Wilson in 1916. His large frame, large features, and positive personality make a strong appeal to an electorate which likes to “look over the candidates and size them up.” He is a man of strong convictions and vigorous

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language. He is outspoken in his dislike of other people than Americans, in his distrust of the motives of other nations, and in his unqualified antipathy toward Great Britain, Japan and the League of Nations. Beneath his banner march the discontented. His criticisms on Great Britain have made him the "favourite son" of Irish-Americans. He has won the German-Americans by his uncompromising hostility toward the Treaty. He has swung the labouring classes to his support by tempestuous charges against capitalists and profiteers. Moreover, because he alone among public men stood out against the Allied policy of intervention in Russia and for the prompt withdrawal of American troops from that country, he is acclaimed to-day by thousands of citizens who privately questioned the expediency and the political morality of that strange and unproductive adventure. He is, of course, the commander-in-chief of those who oppose the League; but he is also supported by many men and women who have no strong sympathy with his political views and no community of interest with any group in his varied following. Nevertheless, they admire his courage in speech and in action, and believe with him that the day of the domination of party machines is done. As a matter of fact, however, he has chosen to interpret the unexpectedly large votes which he has already polled in certain State primaries solely as an indication of sentiment against the League. On that basis he will make his fight in the Republican Convention, and owing to his strong personality and his striking preliminary successes he will be a prominent figure. The issue of the League has been raised, therefore, not as between the Republican and Democratic parties nor in the great and solemn referendum to which the President would wish to have it referred. The issue has been raised within the ranks of the Republicans, and the question of America's relationship to the League of Nations will be decided in June on the floor of the Chicago Convention. Like Johnson, Herbert Hoover is a Republican and a

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Californian. But so important is the sentimental factor in American elections that Johnson would promptly add that he himself is a "native son," whereas Hoover has been a Californian only since boyhood. Like Johnson, Hoover is not in favour with the Old Guard, the inner circle of the Republican machine. Their party objections to Hoover spring from a letter made public soon after Wilson's appeal for a Democratic Congress in 1918, in which Hoover seemed to support the President's request. The hostile attitude of Republican leaders toward both Johnson and Hoover, while based to some extent on these alleged violations of party faith, is perhaps more deeply founded on a fear that neither one of them would prove amenable to party discipline. More serious sins than those imputed to these two candidates have been quickly forgotten in the history of politics when it was expedient to forget them. Outside these superficial points of likeness Hoover has nothing in common with Johnson. He is no speaker. Indeed, he is a notoriously poor speaker. He stands on the record of his colossal achievements alone. He has none of Johnson's power of swaying crowds with his spoken word; on the other hand, no political aspirant since the days of the Lincoln-Douglas debates has given indication in his public statements of such a profound grasp of the nation's problems and needs as Hoover appears to possess. In his economic and social views he is neither radical nor reactionary. He is positively hostile to extremists of every sort. His record as Food Administrator and Director-General of Relief is evidence of his remarkable ability as an executive. He is an expert in foreign affairs. It may be his very knowledge of these matters, or it may be some characteristic transmitted from his Quaker forebears which makes him the outstanding champion of the League of Nations.

Hoover's strength has shown itself, has subsided and has risen again. When first he announced that he was willing to accept a nomination the country was swept with en-

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thusiasm. Thousands of voters from both parties showed an instant readiness to support him on either ticket, or in an independent campaign. He lost a certain amount of this non-partisan support when he indicated his preference for the Republican Party, more still was dissipated when he supplemented his first statement with a "rider," announcing that he would run *only* as a Republican, and not a little of his strength has been lost because of his reluctance to carry on a vigorous personal campaign. Instead, his interests have been managed by a group of devoted amateurs, who tragically lack political experience. Oddly enough, it is Hiram Johnson who has again put strength into Hoover's hands. His own tempestuous campaign against the League has turned opposing opinion to the one candidate whose views are diametrically opposed to Johnson's. In picturesque style the Irreconcilable has promised to "carve the heart out of the League." In less vivid language Hoover has replied: "No greater mistake can be made than the assumption that our people have lost their national aspirations and idealism because they have gone back to business. . . . Our people have an ideal of world service. . . . This ideal cannot be ignored by the party. Its living force will insist upon our joining in the organisation of the moral forces of the world to reduce armament, check militarism and relieve oppression. . . . Failure to support the League of Nations with proper reservations, would be a shock to the spiritual aspirations of the American people." If they could choose between these two candidates and the views they represent, there would indeed be a solemn referendum. But the people will have little or nothing to say about it. It will be decided for them in the Republican Convention.

Leonard Wood, whose managers keep his military title as far as possible in the background, will go to the convention with more delegates pledged to support him than any other candidate can claim with the possible exception of Johnson. But Wood, like Hoover and Johnson, is an

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outlaw. His managers have violated an old tradition of the party: they have placed his name on the primary lists of certain States where he has contested a complimentary vote which that State might otherwise have given to a "favourite son." Yet in spite of this breach of tradition Wood's strength has increased. Had he been able to win enough delegates to command a majority on the first ballot in the convention, he would have justified his tactics. On the other hand, when the total number of delegates pledged to the support of any candidate falls short of a majority on the first ballot, it makes little difference whether he has arrived at the convention with two delegates or two hundred. In a sense, therefore, Wood's chances are no better than Johnson's or Hoover's. He will be judged on the basis of his unimpeachable character, his record as Military Administrator of Cuba and his reputation for far-sightedness in inaugurating the Plattsburg system of training camps before the United States entered the war. Perhaps it is more accurate to say that he is being judged in the primaries on this basis, and on the assumption that he will not permit the warfare between capital and labour to get out of hand. Whether these qualifications will be of the same persuasive value in influencing the vote of the convention is another question. For conventions have a secret and unassigned basis of their own.

It is proper to point out that all these candidates are, in varying degrees, outside the party. Whether the Old Guard will stand by its original support of Senator Harding, or its recent support of Senator Knox, or whether it will find some third "dark horse" of its own, is beyond the pale of prediction. It may be said, however, that the organisation was never so hard put to find a candidate of their own who could carry the convention against the candidates of the people. In the end, they may be forced to yield to this unprecedented demand for the nomination of a candidate of independent mind.

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This discussion has been confined to a consideration of the present position of Republican candidates only. The necessity for this arises partly from the circumstance that the Democratic Party has not yet found the man or men of its choice, partly from its inability to contest the November elections with any great show of strength, but most of all from the fact that the real issue—the issue of America's participation in the League of Nations—will be settled in the Chicago Convention. If Johnson should win it would spell the Treaty's defeat. If Hoover should win it would mean a resounding victory for the League. If Wood should gain the nomination it would indicate a reluctant willingness of the party to accept international responsibility. What it would mean if the Old Guard's nominee should prevail cannot be estimated until their candidate is known.

V

AMERICAN idealism is not yet destroyed. The question of America's participation in the League of Nations was not settled by the Senate's failure to ratify the Treaty. The people have wished to end the issue and forget it; but, like the ghost of a departed friend, it comes back to counsel with them. It will take serious counsel with that most sceptical of all bodies, the Republican Convention: and those who are waiting for America's answer to the call of the world will have that answer in June.

America. April 1920.

THE CASE OF FRANCE

The following article is contributed by a French correspondent and is published as an unofficial statement of the French point of view towards the German Treaty, the attitude of the Allies, and the question of reparation. The arguments, and the figures on which they are based, are the writer's, and THE ROUND TABLE takes no responsibility for them.

FRANCE has been left by the war tragically short of men, money, and means. Her trouble is not, however, confined to herself. It is part of the great problem of Europe. No nation can hope to come separately out of the chaos and misery which the war has left everywhere. It is in consequence essential to understand what claims every nation has to the co-operation of the rest, for the motto of civilisation to-day is not "Help yourself," but "Help your neighbours." The question, however, arises in what order and in what degree the help is to be given. The object of this article is to show that the fact that France's claim comes first, and in any case before that of our late enemy, was not properly realised in England until the San Remo Conference, and that it needs re-examination. It is not written from the point of view of militarism or traditionalism in Foreign policy, and no official inspiration is behind it. The points in which it and the official view agree are therefore all the more significant.

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I

FROM the first day of mobilisation until the day when demobilisation was completed the whole of our male adult able-bodied population (eight million men) was on duty, and nearly four millions were under arms. Of these 1,350,000 have been killed, and 400,000 maimed or injured. In addition, 200,000 men were partially disabled. Such was the position when we approached the hard task of national reconstruction. Though comparisons are invidious, France has sustained heavier losses than the best of her allies or the worst of her enemies. The figures are as follows :—

United States lost	51,286 men,	1 in every 2,000 of population.
Italy "	465,000 "	1 " 79 " "
British Empire ..	835,700 "	1 " 66 " "
France "	1,360,000 "	1 " 28 " "

We do not forget that we were fighting to protect our own soil, for our very lives indeed, or that we would have been crushed, in spite of French heroism, but for the sacrifices of our British Allies; and, notwithstanding our losses, we are thankful for victory after the worst crisis in history and for our release from the old German nightmare.

The question now is not "Who won the war?" but "Whose wounds are the deepest?" First take the position of our chief industry. France has suffered more in this respect than any other country, for the following reason. The small landowners and peasant class had everywhere to bear a disproportionate part of the losses in the war, because in every belligerent country skilled workmen had to be kept back to make munitions, and in this way their lives were spared. Great industrial countries like England and Germany gained by this, because they saved the men who were most needed after the war for the purposes of reconstruction. In France, however, agri-

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culture is the staple industry, and on it her prosperity depends. At least one million French agriculturists were either killed or maimed, with the result that her mainstay is left to-day without labour, and the equilibrium of her economic life is destroyed. The deficit in food for 1919-1920 amounted to 8,000,000,000 francs. Before the war it was less than one million.

Next take the economic situation. In round figures the debt of France to-day is over 240,000,000,000 francs, but that is not all. In 1919 Mr. Keynes put actual damage at £800,000,000, which to-day would be 50,000,000,000 francs, or more if one considers inflated prices. M. Klotz put them at 70,000,000,000 or 80,000,000,000 francs, and more recent estimates of what it will cost to restore the damaged property, not its value, amount to 150,000,000,000 francs. Each month sends up the total, because as the rate and prices rise more bonds and banknotes are issued, and there is further inflation. Then there are pensions and allowances, which, on the 1919 scale, Mr. Keynes put at 60,000,000,000, and M. Klotz at 75,000,000,000 francs. At the present rate they come to more than 100,000,000,000 francs. Thus if these additions are made to the 240,000,000,000 francs representing the debt (devastated districts, 100,000,000,000 francs), a grand total of 400,000,000,000 francs is reached, or about 10,000 francs, (£400) per head of the population. Against this we have, of course, on the credit side Alsace-Lorraine, the Saar Basin, Colonial possessions, war indemnities, and other fruits of victory. But the indemnities are potential, and their realisation depends on others besides ourselves. The reality is different to the appearance, and indemnities are of little use if the Treaty which guarantees them is already in dispute, or if they are not available either for use or for the market. The resources of France are indeed like a huge army which cannot be mobilised, or a ship which, though it contains a rich cargo, cannot get under weigh for want of men and fuel.

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On Mr. Keynes's estimate, the total liabilities of Germany under the Treaty of Versailles amount to £8,000,000,000 (200,000,000,000 francs). This is exactly half of France's total loss. Nor has France the means with which to effect her reconstruction. By the end of August, 1914, she had lost 93 per cent. of her wool industry, 83 per cent. of her iron industry, 63 per cent. of her steel industry, 92 per cent. of her iron ore mines, 35 per cent. of her sugar industry, and 10 per cent. of her cereal production.

For the revival of industries, again, cheap coal and iron are essential. Our deficit of coal is, however, at present between 45,000,000 and 50,000,000 tons, as compared with 24,000,000 tons before the war. For want of coal most of our industries, and among them our metallurgical industries, are to-day producing only one-third of their normal capacity. German iron and steel works, on the other hand, are producing about two-thirds of theirs. For want of coal it is impossible to export steel. Even our internal needs cannot be met.

Cheap and rapid transport, though indispensable, is also not to be had, and our rolling-stock is suffering from wear and tear; the German engines which were handed over need repairs, and the spare parts were retained by the Germans. Besides this, many of our railwaymen are demoralised, and there are frequent strikes. Thirty per cent. of them, moreover, are new to their work and unreliable. If coal were to be had the railways would give 50 per cent. better results; but though they require 820,000 tons a month, only 400,000 tons are available. The quality is even more disappointing than the quantity, and there is often more than 30 per cent. of ash in the fuel. Saar gas coal is of no use, and Ruhr coal cannot be got. The coal that we purchase from Great Britain will be referred to later.

A third and worse difficulty is the shortage of merchant shipping. We were unable to build ships during the war. It has, indeed, never been sufficiently emphasised that all

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our available material and labour was devoted during the war, both before and after our Allies were ready, to munition-making. We were better equipped for it than they were, so we made guns and shells for everyone, and left it to them, and especially to England, to replace the ships that were lost. We know that England lost 7,759,000 tons gross as against 900,000 tons lost by us, but proportionately our losses were the higher of the two, being 34·52 per cent., as against 30·56 per cent., of the total shipping of the country. Though Germany surrendered to the Allies practically the whole of her mercantile marine, if the countries in which so large a proportion of it was detained during the war were to be allowed to keep it, and if the surrendered tonnage were to be distributed on the ton-for-ton principle, we, whose loss represents only 8 per cent. of the tonnage destroyed, would not get anything proportionate to our loss. Japan and the United States, it must be remembered, have doubled, or more than doubled, their tonnage during the war, and Great Britain has facilities for building quickly which we do not possess. Only 24 per cent. of our trade at present sails under our own flag, whereas Japan carries 46 per cent. of hers and Great Britain more than 60 per cent. of hers. At the present rate of exchange, indeed, the mere freight involved in making good our yearly shortage of cereals would cover 56 per cent. of our total consumption.

Under such circumstances the balance of trade is necessarily disastrous to France. She was the first to suffer from the common error of dropping some of the best instruments for economic co-operation that were a legacy from the war. The difference between imports and exports before the war was only 1,000,000,000 francs a year. In 1919 it became 1,000,000,000 francs per month. Apart from everything else, this would be enough to account for a most abnormal rate of exchange; but there are other reasons as well. It was only in the middle of 1915 that credits were opened in England to meet our expenses in

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the way of coal, freight, etc. Till then we stood alone financially, for the Americans had already refused to grant us a loan. We had, moreover, no invisible exports like freights on which to draw, so we simply had to eat up our reserves of credit, including most of our foreign securities. During the following two years England's credit filled the gap, in 1918 the United States took her place, and the two countries remained debtor to America for £1,500,000,000. After the war, however, our credit came to an end. England stopped hers in March, 1919, and the United States did the same in December of the same year. We were duly warned, and internal conditions in the two countries made it inevitable; but the stoppage came at the worst possible moment for France. If the idea of our Allies was that the financial clauses of the Peace Treaty would suffice to restore French credit, it is surely out of the question to consider revision. On the other hand, if the Treaty will not work, how can financial solidarity be abandoned?

As a result of the stoppage of credit, inflation, already dangerous, got worse. 38,000,000,000 francs in bank-notes and 50,000,000,000 francs in Treasury bonds are now in circulation in France; 12,000,000,000 francs remain in bank depots. Nobody will deny that public extravagance after the armistice was criminal folly. Still, if our Allies relied upon the Treaty to enable them to dispense with continuing their credit, we may perhaps be excused for having for a few months failed to look ahead. Besides, we paid in French money for the American Army's expenses in France, and about one-third of our huge fiduciary circulation is due to this. Notwithstanding the fact that it was deducted from our debt to America, it has helped to swell the inflation.

Whatever the causes, the present rate of exchange is a calamity. We are facing the danger, so there is no need to minimise it, and a later section will explain the way in which we hope to avert it. All the same, it is heart-

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breaking to see the franc humbled before the money of countries which before the war were almost bankrupt. It protects industries against foreign competition, but home industries cannot work without the cheap coal, the cheap freight and the raw material which are at the present rate of exchange out of our reach.

The situation is made full use of by mischief-makers. It is suggested in propaganda that we are financially blockaded by our Anglo-Saxon Allies, and "Blockade through Exchange" is one of the catchwords of cheap journalism.

Such is our economic position. Compare it with that of Germany. On April 19th Dr. Wirth, "Reich" Finance Minister, speaking before the Budget Commission of the German National Assembly, used the following words: "From my calculations, our various debts amount to 197,000,000,000 marks." With his tongue, no doubt, in his cheek, he added that "it was not a consolation to reflect that French obligations reach a still higher sum, and are estimated between 200,000,000,000 and 400,000,000,000 francs." And yet we are asked to consent to revision. Whatever its faults, the Treaty at least has the advantage of fixing upon Germany the responsibility for a future tribute. Even Dr. Koester, the German Foreign Minister, recognised, as Dr. Scheidemann had already done, that "revision is only possible through execution."

II

WHAT then ought we to have done and what have we actually done to meet our financial difficulties? The answer is as follows. During the war and until January, 1919, we did everything in our power. After the armistice in 1919-20 we did much less than we ought; but since January, 1920, we have done all that we could or ought to have done. In 1913-14 we raised 110,000,000,000

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francs, in 1918-19 240,000,000,000. We had indeed doubled our taxes, though we did not tax ourselves so heavily as Great Britain and got less from war profits and income taxes: still, your industries and trade were not crippled, nor were you invaded up to one-fifth of your territory and to one-half of your industrial capacity. Besides, the British taxpayer must remember what we contributed to his own war profits and income tax by our freights and banking custom, and last but not least by our purchases of coal. Direct taxation in France rose from two per cent. to twenty per cent. during the war, and the reason why the rise was not higher and did not take place at an earlier date was because we were and still are crushed under indirect taxation.

The outbreak of the war caught us in the middle of a formidable reorganisation of our public finances. It was like having to change horses in the middle of a stream. The income tax law came into force in January, 1916. We had previously relied on the four old contributions, and the new tax amounted to a financial revolution in the middle of a war. Every sort of difficulty had to be met. It was, for one thing, intensely unpopular. Then over 3,000 tax assessors were wanted, yet only 500 remained available, and out of 5,000 tax collectors more than 1,500 were mobilised. There were all sorts of other obstacles, and the tax will in any case probably never bring in the return that it does in Great Britain, because we are a country of small fortunes.

And if, after the armistice, we believed that Germany was going to pay the bill, who was to blame? The answer is not only our own Government but all the Governments. Remember the war cry at your elections and the public speeches during and after the peace negotiations. Your people did not altogether believe them: but we did, and we lost a year through it. German propagandists and neutral "friends" are busy to-day with insinuations that your Government intended to lull its allies into a false

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security so as to leave Europe at its financial mercy. The same suggestions are even found in reputable English newspapers.

Since June, 1920, however, when the Treaty came into operation, we have not waited for the writing on the wall. Many things showed that the Germans meant to evade it, and that a large part of British opinion backed them, so the Finance Commission of the Chamber set to work and their proposals are already adopted. They may not go far enough, but they increase our total revenue and taxation by 85 per cent.—*i.e.*, 8,500,000,000 francs. This conclusively shows that France has the "grit" with which to work out her own salvation. The idea of a capital levy is also fast gaining ground. Those who wonder that only one-fourth of our revenue comes from direct taxation must remember that big pockets are scarce in France. It is a country of small holders and small fortunes.

In spite of unfavourable conditions, every kind of income tax was doubled in April, 1920, and all our succession duties were increased 50 per cent. War profits were super-taxed, and are expected to bring in 8,000,000,000 francs. The holder of what is a big fortune for France—*i.e.*, anything over £80,000—will in future pay by direct taxation 54 per cent. of his revenue, and if he has no children it may amount to 80 per cent.

We know that there is a great deal more to do, but the distribution of the burden must be our own affair. It is enough for our Allies to know that it has been shouldered. France has this year agreed to pay, in place of Germany, twice as much as last year and exactly four times as much as she did before the war. Thus our normal permanent expenses of 18 to 19 million francs will be met out of revenue.

The balance of trade is improving at the same time as the return from taxation. During January and February imports went down 25 per cent. and exports increased 200 per cent. All imports of luxuries have recently been

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stopped. If we had only our debt and current expenses to cope with France would soon be out of the wood.

But there are other burdens. One of them is at least as great as our current expenses, and ought in common justice as well as by the Treaty to be borne by Germany, or, if she fails, by the other signatories as well as by ourselves. It is the restoration of the devastated territories during the year 1920. It comes to 20,000,000,000 francs. The other amounts to 10,000,000,000 francs, and consists of extraordinary and non-recurrent expenses due to the liquidation of war, military and diplomatic credits abroad following resettlement and reconstruction of state enterprises and public works. Neither of these items appears in the ordinary budget. The first was left out because it is due from Germany. The second we had neither the heart nor the means to tackle this year, and we will have to resort again to Treasury bonds and loans. Meanwhile, the work of restoration has to go on, and we are obliged to borrow at a rate above what is fixed in the Treaty to pay what Germany owes. Hence our anxiety and bitterness in any matter that affects the execution of the treaty—especially reparation.

III

IT is now necessary to consider the drastic but indispensable remedies that were provided by the Treaty of Versailles to meet our losses in men and money, and to provide us with the means of restoration. Germany undertook to disarm, to pay, and to restore.

If she had accepted her obligations in spirit, however haltingly, and if she were even beginning to give effect to them, we should now be well on the way to recovery. The Treaty was, however, cried down by Englishmen—not the naval and Colonial clauses with which they were specially concerned, but in three respects, in all of which the Treaty

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is essential to the future of France. It was said (*a*) that disarmament of Germany to the extent contemplated in the Treaty would leave her a prey to revolution, (*b*) that the payment of what was due under it would mean her ruin, (*c*) that if she supplied the means of restoration she would be exhausted.

Particular stress was laid on the last two points, and a large section of the Radical, provincial and Socialist Press in Great Britain not only made a set at the Treaty, but also against France herself. She had, it was said, been vindictive, revengeful, greedy and unseemly. This sort of innuendo has been known in the French Press against England, but since the war it has been less general; certainly never has it been so direct and continuous as the English fire against the Treaty. It is a great pity that for a long time this was not much noticed in France owing to the fact that the public was absorbed in the most drastically general of all general elections. They lasted from October to January. Above all, there was the bitter and hotly contested Presidential election, which had its dramatic conclusion on January 17. As a result, while English opinion was changing, French opinion remained ignorant of the fact until later on it broke upon it with the sort of shock that surprise or treachery brings. It must be remembered that for several weeks in November and December the French Press practically ceased to exist, thanks to a long-drawn-out printers' strike, which forced most of the newspapers to amalgamate into a single journal, which was naturally packed with election news. The only people who noticed the change in English public opinion were a rather independent and cultured section prone to take a bold line in social and political questions, to whom it was especially aggravating to find British liberal opinion against everything in the Treaty which was likely to help us in the matter of restoration. Allowance was made for internal strife and the sporting spirit which prompts people to shake hands after an athletic contest. Nor was it over-

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looked that a reaction had set in in England. It was, however, both a misfortune and a mistake that the French cause should become identified with what was looked upon as a personal vendetta between two individuals and two groups of newspapers. All the skill and sincerity in Mr. Keynes's book, moreover, fail to make up for its political blindness and its professorial inopportunity.

The force of some of the arguments for revision was not contested, but the whole campaign was directed against the Treaty as a whole. English criticism professed to be based on a desire for peace, freedom and social progress. It is on these same grounds that we call for the execution of the Treaty. French republicans oppose leniency, not because they incline to materialism and militarism, but because they see in Germany, so long as she fails to disarm and to make reparation, the chief instrument of those very creeds. They are still the backbone of the country, and supply its only permanent political force. They are, however, gradually being estranged from international liberalism by the attitude of English liberals.

Such was the situation in January, 1920, when M. Millerand became Prime Minister. One of the causes of M. Clemenceau's defeat in the Presidential election was undoubtedly the attitude of English opinion at the time. In the second half of January and the first weeks of February, before opinion on both sides had crystallised, it might have been possible to come once for all to a better understanding. The change of personnel in the French Government could have been made the occasion for a general stocktaking. It was neglected. The professional element was already on its way to the Conference of London, and the wrangle was resumed. Then followed the two fateful months of February and March, in which it gradually became clear that Germany had decided to evade most of her obligations, and that neither the United States nor Great Britain could or would help us to face the consequences. The result was the Ruhr incident.

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The Treaty required the whole German army to be reduced to 100,000 men by March 31, 1920. On February 18, under influences which need not be specified, it was decided to grant a pressing request by Germany to be allowed to keep 200,000 men under arms until April 10. Her forces were to be reduced to 100,000 men by July 30, instead of the Treaty date. The German Government is, however, too weak to disarm, and it remains the prisoner of Prussian militarism. We had no sooner agreed to the proposal to put off the time for reducing the German forces when the militarist coup of March, 1920, took place. It was only defeated by a general strike and the rising on the Ruhr. The German army was accordingly moved against the Ruhr workmen, and it looked at one moment as if there would be a collision with our troops in the Rhine a few weeks later.

If one leaves out of account the marine brigade and other details of the Baltic division which formerly belonged to the old regular army, and which are in almost open rebellion and unwilling to be disbanded, the German forces consisted of the "Sicherheitspolizei," more than 200,000 men, the Reichswehr, more than 300,000 men, and the "Einwohnerwehr," about 1,000,000 men. The first two are disciplined and well trained. They have, moreover, by underhand means, in defiance of the Treaty, been provided with all that is wanted for a short campaign. On their own admission they have at least 12,000 field guns—probably twice as many—about 15,000 aeroplanes, instead of the hundred allowed by the Treaty, and they evade control and refuse explanations. Prussian militarism, in defiance of the German Government, is clearly preparing another war on a smaller scale, not against Great Britain but France. We yield to no one in our anxiety to disarm; but even if we kept our standing army at its old peace-time strength of 400,000 men, we could hardly cope at once with the existing German forces. We have in any event to reduce our army for financial reasons, and our decision to reduce

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our peace-time effectives had just been made public when Germany asked to be allowed to keep 200,000 men under arms. If France is to run the risk of another war, anti-militarists will join hands with the military classes, and Europe would go back to a state of things almost worse than before 1914. For this England would be largely responsible.

There were other basic difficulties connected with coal, industry, transport and finance ; but as they are now being obviated, they need not be dealt with in detail, though it took a long time for the Allies to show that they understood or were willing to mitigate them. Take the coal question. Under the Treaty we ought, for instance, to have received about 13,000,000 tons up to the end of March. This was partly reparation and in part to make up the difference between the pre-war and post-war production of the mines destroyed by the Germans in Northern France. In order to meet Germany's difficulties, we had, however, agreed to take only 6,500,000 tons. Actually not more than 3,000,000 tons had been supplied at the beginning of April, and during March the deliveries had dwindled to 500,000 tons instead of the 1,400,000 tons that were due. And yet all through these same months German iron and steel works were working faster than the corresponding French industries. The vital necessity of coal to France has already been made clear, and England knew it. Her coal was sold to us at the highest rate, 115s. a ton, which at the present rate of exchange means 250s. for us. After a controversy in which, though there was much to be said on both sides, the political and moral side of the question was ignored in England for many weeks, a promise of 18,000,000 tons per year was obtained. The price, 75s., is the ordinary price for bunker coal ; but in the absence of Treasury arrangements to palliate the rate of exchange, it comes to 180s. for us. To this freight has to be added, and also, to be perfectly honest, an amount for maladministration and excessive profits in France. In

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actual practice coal next winter will cost 600 francs a ton in Paris, which means waiting each morning for an hour in a queue to get a paper bag containing 4 lb. for a franc.

Next come ships. This question has also been settled, and generously and fairly, though we had to wait till the end of April for it. About 500,000 tons of the surrendered German mercantile marine had been entrusted to us until the final partition took place. When it came we had to hand over 150,000 tons of it to Great Britain, without knowing whether we could buy any of the German ships interned in American countries. For months Great Britain insisted on her claim. It is not for this article to go into the merits, though the spirit of the Alliance was looked upon as betrayed. We were finally allowed to keep the 150,000 tons at a cost to be fixed later, which is to be chargeable against the German indemnity. Much capital was made by grievance-makers out of the negotiations. The final settlement, which should have been used to strengthen the Alliance, was, however, hardly noticed in France outside the circles immediately concerned. The whole episode is typical of the way in which the Alliance may be damaged by internal manœuvres on both sides of the Channel.

Nothing, however, comes up to Germany's failure to begin reparation, to the growing campaign in England in favour of easing her burden, and to the resulting pessimism in France which is reflected in the rate of exchange. The 25,000,000,000 francs that were to be spent on reparation immediately after peace are already swallowed up in paying America and Great Britain for food and other necessities. The cost of the French army of occupation, which was to have been paid by Germany, is being met entirely by ourselves. We are, in fact, borrowing at a high rate and with a disastrous exchange to fulfil the obligations of the authors of our troubles. Nor is there any sign of the 50,000,000,000 francs (£2,000,000) of Treasury bonds which were to have been issued in Germany if the pay-

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ments for reparation were insufficient. In any case, who would discount such bonds? It is the same with reparation in kind, though there is nothing to stop its delivery. About 3,000,000 cattle were taken by Germany from the invaded districts, and though 233,000 were to have been replaced, at the end of April we had received less than 25,000 head.

Then take the exchange. All through 1919 the franc fell slowly, but between January and March, when it was realised that we could no longer count on English and American support to enforce the financial clauses of the Treaty or to palliate the consequences, it came down with a crash. In January, 1920, repayment was even demanded of a parcel of our Treasury bonds held by the British Treasury. It was within their rights, but it was clear that financially we now stood alone.

Again, one of the pressing needs of the moment is the production of gold. Yet no steps were taken, and gold mining in the Transvaal and elsewhere received the scantiest encouragement. At the same time all sorts of rumours were spread about the business activities of Great Britain and America in Germany and Russia, and French public opinion began to lose heart and get warped. In money matters it is, no doubt, easier to blame the unfairness of others than oneself. An unhealthy tendency to repudiate all duties and most debts was checked with difficulty, and a revolutionary ferment set in. It was said that, thanks to the attitude of our Allies, we were expected to restore Germany at our own expense, when it was to have been the other way about. This agitation was used to overthrow one of the best Premiers that we ever had. It is neither possible nor desirable in this article to go into the Ruhr incident and the occupation of the German towns, and our action has nowhere been more severely criticised than in France itself; but we had already warned our Allies, and were at our wits' end. Perhaps some kind of action, hasty though it seemed, was the only way of clearing the

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air. The matter, if not the manner, of our intervention can be justified.

At all events, Great Britain at last understood. At San Remo the situation was saved by Mr. Lloyd George and M. Millerand ; unity of action and harmony of feeling were restored, and France breathed more freely. It was agreed that Germany must disarm and begin reparation ; that she labours under special difficulties ; that there is no intention of annexing part of her territory ; that she is to come to a conference and make proposals about the total amount of the war indemnities. All the same, the question of our future relations and of making her fulfil her obligations remains unsolved. There is to be no revision, and yet a revision is invited. Such are the beauties of diplomatic language. Well, the main thing was to restore community of action, and this was done. We must find a way of putting the unity of views of the Allies into practical effect, and in future difficulties must be met before they become acute. More alertness is called for on the British side, and more coolness on our own. Our hopes must rest on M. Millerand's capacity for suave firmness and in the power of adaptive statesmanship which the world has rediscovered in Mr. Lloyd George.

IV

IF this article were for French readers it would contain a warning that it is a mistake to make too much of small incidents, and to press claim after claim on an ally's equity and sympathy as if they were indisputable rights ; that an ally is not necessarily either a milkmaid or a milch cow ; and that the success of alliances depends on the spirit in which they are worked from the top downwards ; in a word, that all human relations require nursing, and that for this goodwill and long acquaintance are a necessity.

As, however, it is meant for English readers, it is perhaps permissible to remind them that bargaining is not the same

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as either mendacity or mendicity ; that national egotism is not necessarily less irritating when it takes the form of deeds without words than when it takes the form of words without deeds ; that querulousness and even indiscretions may be minor failings compared with inattention, want of understanding, and harshness ; that efforts to bind a friend by material means always end by making an enemy of him ; that impartiality as between a present partner and a former enemy is apt to be taken for partnership with the enemy. To sum up, a stronger will to friendship is wanted on one side and more understanding on the other.

V

BUT it will be asked : " What is your own policy towards Germany ? She cannot pay unless she herself recovers. Do you propose to kick her into reaction and revolution, or both ? To dismember her Empire would bring about an irresistible and irreconcilable patriotic movement. Do you want to destroy her last chance of recovery ? The American President has charged France with militarism and imperialism. What is the truth ? " The truth is that at present there is no Germany, and consequently no policy in any of the Allied countries towards the Germans. There are only passing and successive moods. As elsewhere, there is a militarist class or spirit in France, though it cannot be called a militarist party ; but they count for little. At present it would be almost impossible to arouse warlike enthusiasm here. There is not the least chance of our activists becoming active unless economic distress were to cause their activity to take a military direction as the only alternative to economic dissolution or social revolution. In that case it would look towards the Rhine and nowhere else. France can, however, be relied upon to keep the peace. She has suffered enough. After her achievements a certain amount

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of pride would be excusable, but our economic situation saves us from any temptation to try to rule the world. Her first duty and necessity are to concentrate rather than to expand. That is why serious trouble between her and Great Britain is unlikely in Asia Minor. Conquest, annexation, dismemberment of German territories, armed expansion in the East or elsewhere we disclaim as resolutely as any of our Allies. That was made clear at San Remo. If a German Republic existed in spirit as well as in name, able and ready to keep Prussian militarism in check, no one would be more likely than France to live on excellent terms with her.

German democracy is, however, only the babe of Continental freedom. It has to be fed, nursed and protected; but at present there is neither a German Government nor a German Republic. Socialist ministers are the prisoners of a militarist residue which they fear but cannot dissolve. Socialist diplomacy is only a mask for the old diplomacy, which is still at its traditional game of dividing the Allies. This must be recognised if we want to maintain harmony and secure the reparation due to France. We cannot afford the time which either formal revision or a slow process of adjustment would take. The Reparation Commission was created to take the immediate steps that are called for. Discussion can go on at Spa or elsewhere, but the Commission must get to work. We object also to waiting till the International Finance Conference at Brussels has spoken. We must ascertain at once how far we have still to bleed ourselves while Germany makes default. Grumbling is already to be heard in the north of France, and both our debtors and our partners must pay prompt heed to the condition of our finances and exchange. This is a "franc" explanation of our attitude. It is given in fear of a "save the mark" policy.

On February 27 last the question of ways and means was discussed in the columns of *The Times* in connection with the question of revision. Mr. Keynes was for a new

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congress ; Lord Eustace Percy was for a piecemeal process. We do not want revision of any kind, but agreements about execution, and on such essentials as reparation, payments, bonds, coal and disarmament we want them not to be in succession but immediate. Otherwise other events will overtake us.

VI

NOW that the German diplomatic offensive of last winter—the same minds were behind it as in 1917—is dealt with, we can turn to social movements. The State as a leviathan has gone with the defeat of Germany, and the international idea of the State as a “*Communitas Communitatum*” is rapidly gaining ground. We are all of us, in fact, engaged in a far-reaching revolution. Economic and social transformations are different from political or military revolutions. They cannot be brought about by force or unduly hurried without defeating their own objects. The Russians have tried it. The Germans may do the same because they have never passed through a preliminary stage of organised democratic freedom. Their most advanced thinkers are still the worshippers and the victims of the State as a leviathan, and no help can be expected from them in the task that awaits the rest of us. Great Britain, France, Belgium, Italy, the United States and other nations are jointly and severally responsible for seeing that the old forms pass peacefully into the new. The strength of a chain is, however, only that of its weakest link and if it snaps at France it breaks everywhere. We are all looking to social England for the lead that she has so often given in peaceful revolutions of a practical kind ; but if England helps to create conditions of despair among her Allies, we shall all fail together. Our claim to assistance in the economy of revolution comes before that of Germany. The huge commercial and financial power of Great Britain

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and America must facilitate instead of complicating the material life of less fortunate nations.

Nobody objects to Germany being included among those who are to share the benefits of universal "mutual help." Her ruin is not our aim nor do we want German anarchy. The economic restoration of the whole continent is our object. The industrial life of Germany must, we recognise, in the common interest be set going—but our own comes first. Her Government also must be helped to reach stability—but ours first.

Nor is there any need for the total obligations of Germany for reparation to be fixed before the date named in the Treaty, May, 1921. It would help no one. She knows what she has to pay before that date: so do we, and that ought to be sufficient. If the question is to be discussed before the Reparation Commission fixes them in May, 1921, let the definition at least be such as to fix a minimum annual indemnity and at the same time provide for a higher contribution as soon as she is earning more.

European restoration depends above everything on Franco-British solidarity. On our side, if we care for the British alliance we must preserve and foster it and not simply use it as a means to an end. We have to look both ahead and back. Whether we like it or not, we owe Great Britain the same debt as America owed Lafayette. It is no answer to say that it was England's interest to fight at our side. It is equally that of every villager to shoot a mad dog. It was also ours to help America against England and Italy against Austria. We had our reward, and a time may come when we too may be asked to pay the debt. Imagine the combined activities of a future Ludendorf and a future Lenin.

Great Britain, on her side, will do well not to look at the practical questions on an early settlement of which both French ability and willingness to co-operate depend from too exclusively a business standpoint. We want justice, not liquidation. Wherever there is a doubt, however, our

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claims stand immeasurably above those of Germany. We want to keep both our rights and our friends. Our burden will continue to be huge, but Germany should, as soon as she possibly can, take a share of it proportionate to her means. Once the basis of international credit is fixed on these lines it should be easy to institute real financial solidarity between the Allies, and the simplest and most effective form would be a mutual guarantee of their respective shares in the German reparations and indemnities. In the meantime, Germany must disarm or be disarmed. This is the beginning and the end of the whole situation. We know what to do and we can do it. We cannot stop men, but we can stop things, provided that control is established. If further occupation is necessary let it be a joint affair and conclusive. On this subject there must be no compromise.

VII

AS to the anxiety which some of our British advisers show to promote co-operation between France and Germany, the old idea of a continental policy directed against sea power is by no means dead. If it were to take shape, even of a peaceful kind, the British Commonwealth of white nations might stand the strain though it shows weak points in Ireland, Africa and even in America; but the British colonial empire in Asia and Africa would not. Things are already happening in the East, in Egypt and elsewhere. The largest navy in the world becomes useless once boundaries stretch too far inland in all the continents, and the imprudence under such conditions of withdrawing from solidarity in the economic life of France ought to be exposed in British schools.

If, however, the exclusive commercial spirit which seems to have lately prevailed both in America and Great Britain were to last much longer, with its policy of *laissez faire* and *chacun pour soi*, France might be forced into the false

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"Continentalism" so often preached by William of Hohenzollern. It has its temptations, and some of the most prominent business men of Prussia and Westphalia predict a huge expansion of Germany's industry within a generation. To incite other nations to share in her future prosperity without insisting upon part of its results as reparation or ensuring her total disarmament is the most effective kind of anti-British and anti-French propaganda. The near future will show whether France has chosen the wiser course in directing her efforts towards solidarity with Great Britain and the United States instead of the co-operation with Germany which Great Britain seems paradoxically to be trying to bring about.

Will the verdict of history when it deals with the course of events between the armistice and San Remo be that both countries played too often into the hands of their adversaries?

San Remo has placed a powerful instrument in the hands of Allied statesmen. In July we shall know whether it has been used with success.

THE GERMAN SITUATION

Like the article which precedes it, the following contribution, which is from a German pen, sets out a point of view for which THE ROUND TABLE has no editorial responsibility. It has, however, been obtained, and is printed as it stands, in the belief that the time has come when the German point of view towards the question of reparation and reconstruction should be clearly understood by the British peoples.

IN the hey-day of Germany's power she was often accused of striving for World-Supremacy. In the hour of her direst misery she has become the corner-stone of Europe, and possibly of the entire system of modern economics all over the world. If she should give in under the pressure of the load which the war, the blockade, the revolution, the armistice and the peace have piled upon her, the tottering fabric of European civilisation might easily crumble to pieces.

I

THE German Revolution of November 1918 was not a revolution as revolutions ought to be according to the strict tenets of the revolutionary experts. There was no violent clash of arms between two rival factions treasuring different conceptions of the order and the destiny of the world. There was merely some disorder, some ghastly rioting and some hideous killing. The old order did not pass away in a momentous conflagration among leaping

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flames kindled by a raging hurricane ; it went out like a rushlight which the last breath of a dying man would be enough to extinguish. Germany faced darkness and chaos. The people were starved, disillusioned and tired, tired beyond endurance and hope. Important links in that great system of organised life to which the people had been accustomed were broken beyond repair. The gospel of organised anarchy came from the mystic East, strongly appealing to imaginative brains which realised that the consequences of defeat must make life scarcely worth while living in the near future. And from the West the news spread that the armies were completely dissolved and were returning in marauding bands, robbing and burning the very land which they so long had defended. All order and discipline seemed to have come to an end ; every soldier appeared to shift for himself. Trains were crowded with runaways who entered them by the smashed windows as the corridors were completely blocked. It was a state of affairs which did not last long, though it was made almost unbearable by the terms of the armistice. Very soon some elements of order returned. Though there was some breakdown at the base, the army at the front returned in good order, notwithstanding the extreme shortness of the time fixed for evacuation. Those hideous days, when all elements essential to the maintenance of a commonwealth were quickly dissolving, saw the birth of the German Republic.

A few fanatics and a handful of dreamers, none of them of very great consequence in the former life of the nation, had put themselves at the head of some disgruntled soldiers and some fanatical working men and had uprooted the German dynasties. Scarcely anybody had believed in the possibility of such an easy victory. After it had been won some of the victors at least passed what must have been to them the most trying hour in their whole life. They held the power indeed, but with nobody to support them, and, beyond a few half-baked ideas taken from their

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Russian friends, they had no policy. The returning army could easily have turned them out if it had been minded to do so; but the German people were tired of killing, a wave of tired tolerance swept over the land.

It is the great merit of the organised German labour movement—a merit for which posterity will be grateful to them—that their most numerous representatives, the Majority Socialists, did not stand apart in that critical moment. They had not made the revolution, in fact they disliked it. But they joined with their radical brethren in forming the first Republican Government of Germany. They called to their assistance some of the best men of the non-socialists and they laid the foundation of a democratic German commonwealth by promising the early convocation of a National Assembly. In doing this they frustrated the first effort at transforming Germany into a Soviet Republic. No party ever took power in a more disastrous situation. They had trained their followers to expect a working-class government in a not too distant future. This government was to expropriate the large unearned surplus which the capitalistic classes had squeezed out of the working men. They were to use it in the interest of society at large, ensuring thereby greater production, shorter working hours, higher wages, and in general a much better distribution of income.

They had come to the land of promise much earlier than they had ever expected to do. But its rivers of milk and honey had run dry. The blight of the disastrous war lay on it. The capital of the capitalists was mortgaged to the creditors of the nation, to the millions of small subscribers who had given their savings to the State. Production was ebbing, if not at a standstill. There was no longer a large unearned surplus which it was easy to nationalise; there were debts and starvation, a breakdown in transport, a huge dislocation of the labour market due to rapid demobilisation; there were no resources except paper money. But something had to be done

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besides the establishment of a commission of inquiry into the possibilities of socialisation. Relief of the unemployed financed by paper issues was started on a huge scale and besides other alleviations the eight hours day was made the law of the land. It was done at a moment when lack of cash and raw materials made the change from two shifts to three shifts impossible, for neither labour-saving machinery was forthcoming nor was it possible to provide dwellings for the additional men wanted. The value of the decrease of production by shortened hours has lately been estimated at 27 billion marks.

At a time when nothing but increased production could save Germany, the Socialist Government was compelled by the force of circumstances to diminish seriously Germany's production. It was an unavoidable tragedy, not a foolish policy. After the terrible war a relaxation of the strain was bound to come, whatever government was in power. The Republican Government had no power to force the people; it had to appeal to their reason; and it might have been fairly successful if better nourishment had increased the people's energy, and if the fall of the exchange and the rise of prices had not made amelioration scarcely possible. Lack of raw materials, decreased efficiency and shortened hours thus prevented recovery and increased the existing dissatisfaction.

Bolshevist radicalism raised its head; it was put down by force by a Socialist Government. A new military organisation was improvised from the remnants of the old army.

The elections had proved that the majority of the German people were not socialists. Notwithstanding a tremendous swing to the Left, the Majority Socialists and the Independents combined did not possess the necessary strength to form a government. The German people had pronounced for parliamentarianism against the Soviet system of the "Left" and the authority creed of a small remnant of the stalwarts on the "Right."

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Majority Socialists, Democrats, and the Catholic Party joined in a coalition government, which has ever since existed, and which, so far, has been supported by the overwhelming majority of the people. It was, and is, a government strong in votes, but weak in action. It is composed partly of members of a party who have been taught to believe in permanent class warfare, and who object to private property in the means of production; they have as their colleagues men who uphold private property, who believe in private initiative, and object to their theories of class warfare. Their supporters insist on immediate socialisation, whatever that may be; their colleagues object to it, as they trust to private initiative. The working class in the towns, who form the bulk of the Majority Socialists, insist on low prices for agricultural produce; the farmers, who are an important element in the Democratic and in the Centre Party, demand higher prices under threats of an ever-diminishing output. Coalition governments must always compromise; in this government all parties concerned must needs compromise their chief principles. The government has to face an opposition, small in numbers so far, but gaining strength, in the country, and an opposition from radicalism on the Left and on the Right. Both extremist sections hate and despise each other; but they are both enemies of the parliamentary system, and are both willing to use physical force. Some leaders of the Independents, as well as some members of the National Party*, recoil from an appeal to violence; their less enlightened followers are always willing to use it. Thus a government elected by the people on the most liberal franchise must continually defend themselves and the people by force of arms. In great centres of civil life, in Berlin, in Munich, in Leipzig, in Hamburg, the peaceful citizen has become accustomed to the rattle of the machine-guns, to the erection of barbed wire, to

* The party referred to is no doubt the "National Volkspartei," one of the parties of the "Right."

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the sight of steel helmets, and the use of hand grenades. And the foreigner who is not accustomed to these sights, and who frequents the haunts of the Independents and the Communists, might easily believe that German militarism is much more in evidence at present than it ever was before. He is mistaken. The German people are tired of fighting. No power on earth could drag back to the trenches the men who have been in them. They are so sick of violence that anybody who is well armed and willing to run the risk can sway them easily. There are such groups on both extreme wings; there is a skeleton Red army, which is easily swelled to huge numbers wherever there is a panic; and there are influential groups on the Right who hope to come into their own again by force of arms.

The problem of the Government and of the German people is to have a reliable army, strong enough to quell any rising. This army, according to the terms of the Peace of Versailles, must be a hired army. German militarism, so it seems, is to be extinguished by spreading the spirit of the officer class, which was, of course, militarist, to the rank and file. In a militia the officers might develop the spirit of a separate class, but the men, serving only for a few weeks, would represent all classes of the nation, and would never stand for one party. A militia, besides, would be cheap, whilst the small hired army of to-day is nearly as expensive as was the army before the war. As long as Germany is subject to sudden fits of local rebellion—and it will be some time before all danger is passed—the army must be strong enough in numbers to guarantee a certain measure of security.

It will be sifted, and it will be reorganised—the “Kapp putsch” has shown certain dangers very clearly—but it will always be formed of people who prefer war to peace; it will always be officered, in part at least, by men imbued with the martial spirit. It must lead a life of undiluted disciplinarian routine; there are no colonies where the

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men can be used on active military service ; they have nothing to look forward to and nothing for which they have been trained. They will soon get bored, and they will soon realise that they are the armed power, and that they can dictate their own terms to any recalcitrant government. Even to-day large masses of working men have begun to distrust them, one of the deplorable results of the "Kapp putsch." And as distrust engenders distrust, a feeling of antagonism between the armed forces of the Republic and the working men is likely to arise. It was strongly visible in South Germany after the disastrous comedy of the "Munich Soviet Republic" just a year ago. It can be mitigated by a proper reorganisation of the "Reichswehr" * and by the formation of a new Citizens' Guard all over the country. For if the present Citizens' Guard is dissolved without any other similar institution taking its place the bourgeois classes will be terrified by the spectre of a Red army rising amongst the working men ; and the labouring classes will expect an onslaught from the Nationalist elements, who, according to their view, control the Reichswehr.

The Germany of to-day is an unarmed, easily frightened democracy, whose weapon of defence against any military attack is the general strike, a suicidal measure if it is used regularly. But there are dangerous militarist elements in the country. There are extremists on the Left who believe in Russian terror, who aspire to the cast-iron rule of a fanatical minority. They will gain strength whenever there is a setback in the slow economic improvement that the nation is expecting. They increase in numbers whenever there is an uprising which puts the ultimate power for the time being in the hands of the soldier. The belief in parliamentary institutions is not a time-honoured tradition in Germany. The idea of the "council" system is somewhat akin to some very German ideas of professional

* The "Reichswehr" is the name of the regular army as distinguished from the semi-military forces.

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estates governing themselves and the land ; and the creed that the millennium is coming after the present order is smashed must appeal strongly to men and women who have nothing to look forward to.

Communists have failed so far, as the Reichswehr could be relied upon against them, when backed by sufficient popular support. But if the masses should distrust the Reichswehr this support will not be forthcoming.

There are, moreover, numerous reactionary sets who are willing to use force if there is a real chance, who objected to the Kapp movement merely because it was unsuccessful. The revolution has deprived the ruling classes, especially in Prussia, of their privileged political position. They have always been in a minority, and they know only too well that they never will become a majority by constitutional means. They may win over in a large measure the large employers of labour who disapprove of the industrial disorganisation, for which, according to their views, the revolution is mainly responsible. They work upon the antagonism of the farmer, who is apt to look upon the town dwellers and the town-dwellers' legislation as a rabble of loafers. But it is not likely that they will ever get a majority, certainly not as soon as they want it. Some of them advocate an agricultural boycott, partly with the object of raising prices, partly to make the labouring classes feel the power of agriculture, with the brutal aim in the far background of depopulating the cities and making them an obedient appendage to the farming interest. This way of redressing the social balance is slow and anything but sure. Vienna may die in patient resignation. The German working man is made of sterner stuff ; any endeavour to strangle the cities might be answered by the formation of a real Red army, whose strategical object would not be social reorganisation, but "food."

Some ideas of that sort have been aired in Bavaria, where there was always a strong peasant movement, not entirely free from antagonism against the cities. Some of its

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promoters are looking across the frontier to the remnants of Austria, in whose agricultural districts there is some vehement opposition to starving socialist Vienna. France, so they argue, will never permit the union of German Austria and Germany. But she would not object to a union of Bavaria and German Austria, provided that Bavaria separated from the German Republic. If she did so, a new South German Confederation would arise, a country almost self-supporting, without any industries. A Catholic country it would be, fairly free from the taint of socialism. It might enjoy the goodwill of France. And after having established order within its confines and having done away with the revolutionary system it might later on join the German Republic on its own terms, teaching it the lesson of healthy government and good social order. Separation would only be provisional, as a means to greater union and better order. This trend of ideas has a certain influence on some strongly Unionist groups who prefer provisional national disintegration to what they consider permanent social disintegration. It is the same separatist instinct which induced Eisner in the early days of the revolution to make Bavaria play the rôle of the pioneer in Germany. It failed then and it is likely to fail now, though it always enjoyed quite a considerable amount of sympathy across the Rhine.

There are other reactionary sets who do not mean to trust to slow political means to bring about what they consider the reconvalence of the State. The old order, they say, was overturned by force. As the right of the revolution is based on force, it can appeal to force only and not to right. They do not believe in the binding force of the constitution; they do not realise that their appeal to force would make revolution the permanent state of the land and the complete justification of Bolshevism. It was no accident that the "Kapp putsch" was immediately followed by a Communist rising. Both extreme parties are really twin brothers, for human development depends

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to a much greater degree on the methods used for its achievement than on the objects it is striving for. And there are even some direct links of communication between Bolshevism and Militarism. The bulk of both parties pray that their antagonists may strike the first blow, thus giving them a chance to hit back ever so much more strongly. But there are certain groups of Communists, who believe in a strongly nationalist physical force type of Communism. And there is ample ground for violent dissatisfaction amongst many members of the classes who were formerly privileged. Disillusion with the half Socialist government, which does not bring about socialism and which believes in social order as strongly as ever did any official of the old order, has driven many a working man into the fold of the Communists. Hatred of this new order, despair of Germany's future, belief in their own capabilities and the gloomy outlook in so far as their own careers are concerned, must provide any desperado on the reactionary side with ample material upon which to work his will. Fifteen thousand officers, so it was said some time ago, have actually been dismissed. What are they going to do? What can they live upon? Their pensions have always been small. In these days of the ever rising cost of living they cannot even starve "genteely." The social position, to which they were accustomed, and which, in fact, was part of their pay, has been taken away from them. The younger officers are crowding the universities; they are partly responsible for the revival of the nationalistic spirit in them. The majority have done their duty at the front. They know very little about politics, having no political training or understanding. They are realising with despair that the war was lost: but it did not end in an overwhelming tragedy on the battle-field; there was no Cannae or Waterloo. The war has ended by a humiliating armistice, which according to their views was demanded and negotiated by frightened civilians. They believe that the front could have withstood further attacks for some time

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at least, until some miracle might have happened, if it had not been "murdered from behind"; if the revolution had not come the terms of the armistice would have been far less onerous. And as for the peace, surely it shows clearly enough that German Democrats were only ensnared by double-tongued Puritan schemers. A just peace was promised to Germany if she would turn democratic; she did so at the behest of the Allies, to be dismembered at Versailles. And the German governments formed by the parties who connived at the revolution, if they did not make it, have stood all sorts of indignities which an arrogant enemy could heap upon them. They have expressed their willingness to rely henceforth on right, not on might; but they have been shown after all that "might is right." The Peace of Versailles has made a broad stratum of the German people, who had been quite willing to believe in international goodwill and friendship amongst nations, into worshippers of sheer force once more. It has dealt a deadly blow at political idealism, especially amongst the educated classes. If aggressive nationalism is once more visible in the land—it was quite dead a year ago—this is not due to the insincerity and the weakness of the German Government; it is due to such actions as make this government appear weak, nay, even contemptible, in the eyes of important sections of its own people. And behind all this there are strong economic forces. In a country doomed to poverty disbanded officers and disbanded soldiers must be a danger to the public weal. They cannot emigrate, for nobody wants them and there would be neither transport nor cash to take them abroad. They cannot work, for there is a glut in the labour market; they cannot live, for living is dear; they cannot rule, though they come of a ruling State, for others have taken their places. They hear of indignities inflicted upon their brethren and sisters in the occupied districts, they see efforts to break up the unity of their country. They dimly feel that enormous problems are ahead of the country, and

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they realise that the government is far too weak. They are accustomed to act and not to reason ; they have very little to lose and a great deal to gain. They are quite sure that the days of the monarchy were far better than the evil days they have to live in. Cannot they be brought back by a strong fist and an iron will ? The mass of the people has most significantly declined all appeals to force, as was shown clearly during the " Kapp putsch." In those eventful five days a well disciplined, splendidly equipped army was beaten, almost without a shot being fired, by the silent will of the people. It was not only the working class, it was the mass of the nation who shared in that victory, one of the few great struggles when the spirit proved mightier than the sword. But the danger has not completely passed. It cannot pass before Germany is once more sound economically, and before she has a government which is treated as a government by other Powers, and not as a surly, unreliable bailiff.

II

GERMAN economic life has been disastrously affected by the war, the revolution, the armistice and the peace.

The war and its terrible losses have greatly reduced the number of men capable of work. The industrial efficiency of the people is greatly diminished. It has been stated authoritatively that it is one-third below its former standard. Time alone will show whether this deterioration is temporary and whether it can be made good notwithstanding the effects—some of them permanent—on the rising generation. The revolution has established a maximum working day of eight hours. A corresponding relaxation has taken place. But the increased efficiency which advocates of the eight-hour day might have looked forward to in better times has not yet followed the shortening of the hours, for the people are too weak and too poorly

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fed for any extra effort, and the wear and tear on the plant was too great to permit of quick adaptation to changed circumstances.

Production has fallen correspondingly. In the mining districts of the Ruhr daily production has decreased from about 380,000 tons to 240,000 tons; it is only lately that an output of 300,000 has been reached. The revolution has naturally unsettled the mind of the working class. At last their leaders held the political power that they had desired for many years. The masses expected from the change greatly improved conditions of life. The only thing which could be given them was shorter working hours, but neither better feeding, better clothing, nor better housing. Sulky despair and wild enthusiasm make them expect an amelioration of their lot, no longer from slow improvement, but from some cataclysmic upheaval. The number of people which Germany has to maintain is greater certainly, in comparison to her resources, than it was before the war.

Her territory—quite apart from the colonies—has been considerably diminished. Agriculturally the ceded districts were surplus districts. About a quarter of the German grain and potato output is lost—whilst the loss of population—not including Upper Silesia—is only 7·5 per cent. and with Upper Silesia 13·4 per cent. The excess of imports over exports of breadstuffs of about 1½ million tons, which was necessary before the war, would be considerably increased, even if the producing power of German agriculture were not diminished. The absence of artificial fertilisers has, however, reduced considerably the crop-bearing capacity of the German soil. The production of breadstuffs fell from 14 to 15 million tons to 10 million tons; the production of sugar beet from 14 or 15 million tons to 10 million. As German livestock depended on huge imports of feeding materials from abroad, the number and the quality of the remaining animals have greatly decreased; the decrease in the

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number of cattle will be about 10 per cent. to 12 per cent. ; but the deadweight fell from about 500 German pounds to about 320. The deadweight of pigs—they are reduced to about half of their former number—has fallen from 170 pounds to about 126. Far greater quantities than before are needed from abroad to bring about a reconstruction of the German people. Owing to the bad exchange, prices paid by Germany abroad are so high that resales are possible only at a loss, which must be borne by the government. Prices at home have risen considerably, but agriculture does not find them remunerative. There are strong tendencies at work to restrict the agricultural output to the necessities of the farmer and his family, making Germany's huge town population more and more dependent on foreign supplies which are made far too expensive by a bad exchange, and the purchase of which deteriorates the exchange in its turn.

The wear and tear on German industries during the war has been enormous. Some flourished enormously, but notwithstanding all substitutes Germany as a whole was living on her industrial capital. By an enormous effort she maintained the output of coal at a fairly high level. Moreover, she was able to keep her transport system going. The armistice, with its huge demands for engines and carriages and its enormous pressure for quick demobilisation, disorganised transport. The revolution and some of its consequences brought about a relaxation in the efforts of the coalminers, which was unavoidable in the long run, but which came at the most unpropitious moment. The occupation and the Peace of Versailles destroyed the natural base of the German iron industry. Germany lost about 80 per cent. of her iron ores. And whilst she is forced to supply coal in huge quantities—quite apart from the cession of the Saar Gebiet—her iron and steel industry has no guarantee that it will receive regularly the iron ores on the adequate supply of which it is based. Transport and exchange make it impossible to

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substitute ores from oversea, even if it were possible to get the quantities needed without upsetting the markets.

The backbone of German industry, coalmining, has lost a good deal of its former efficiency. This is visible all over the world ; but its results are very serious for Germany and the world at large.

Germany's coal output for 1913 was about 190 million tons. She has lost so far the Saar and Alsace Lorraine. That would leave her with an output of about 173 million tons—including 43 million tons in Upper Silesia. But the output for 1920 will be scarcely 120 million tons. It is possible, no doubt, to increase the coal production later on without a too violent lengthening of the working hours—the Westphalian miners have lately worked voluntarily additional shifts ; but the situation has been very serious. Train services had to be stopped temporarily ; many great cities were without gas ; schools and universities had to be closed—in some cases even the hospitals were in danger—not to speak of the sufferings of the private citizens. The potash works, whose output was wanted for agriculture, had to stand still ; and in many other cases plant worked merely spasmodically. In the autumn the margarine ration was reduced from 150 to 100 grammes because the fuel for the works was not forthcoming. The output of coal could be greatly increased if the labour power could be augmented correspondingly. It might be possible to get the hands needed ; but they have to be housed and they can't be housed without dwellings. All over Germany there is a terrible shortage of houses, as few houses were built during the war ; but houses can't be made without bricks, and bricks are made in brickworks which have no coal. It is a vicious circle and the reparation clauses of the Peace treaty make it almost impossible to break it. Germany is bound to hand over to France, Belgium, and Italy about 43 million tons a year. That is over 33 per cent. of the present production—provided that Upper Silesia votes for Germany. The necessity of

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providing this coal must fall on the Ruhr district for geographical reasons. Assuming a daily output of 300,000 tons, 43 million tons correspond to the output of 143 working days. In other words, the output of about every second day is withdrawn from German economic life.

So far this demand has not yet been insisted upon very severely. If this were to be done in the near future and if Silesia were lost, German industry would either come to a standstill or have to use imported coal. Some works indeed used imported coal last winter.

If that were the case Germany would be quite unable to pay her way internationally. It is impossible to give reliable facts about the German balance of trade. It must be passive for a long time to come, for Germany is like a dry sponge sucking in water. She has no longer any important assets abroad or ships with which to pay for the balance. Apart from coal and a few other products made from coal and home-made materials, her capacity to export depends on the amount of imports which can be converted into exportable commodities.

As coal and important coal products would no longer be available to pay for imports Germany will have nothing with which to pay for them, especially as the coal shortage will reduce her capacity to export. Her exports—in gold—were scarcely ever higher than 10 billion marks in gold. Forty-three million tons are over 3 billion marks, gold—though Germany, according to the treaty, will be credited with much less. German exports from the reduced territory, with little iron and a very much reduced available coal supply, can be scarcely estimated at more than 7 or 8 billion marks, gold—assuming a rise of 100 per cent. in gold prices. Is it possible to export 3 to 4 billion marks, gold, by way of indemnity, if this tribute comes to nearly 50 per cent. of all exports?

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III

THERE are some signs of recovery in German economic life, but there are none yet visible in German finances. The funded debt has reached about 92,000,000,000 marks ; the floating debt is fast exceeding 100,000,000,000, and there are no means of funding it just now, for to fund only 60,000,000,000 each German, man, woman or child, would have to subscribe 1,000 marks a head. Expenses are piling up heavily. The rise in prices forces the government to pay higher salaries to their officials to keep them from starving, and to cheapen the price of some staple commodities by paying a kind of bonus to the consumer. It helps very little and costs a great deal. The Post Office and the railways, which formerly contributed handsomely, especially the railways, to the nation's income, are suffering from ever increasing deficits, owing to shortened hours and higher wages. The total regular expenditure of Germany was about 4,500,000,000 marks in 1913 ; it was estimated at 24,000,000,000 marks for the Republic for 1920. If the probable expenditure of the States and of the municipalities is taken into account, the total of the regular expenditure will be about 32,000,000,000 marks. About 30,000,000,000 marks are expected to be received from all sorts of taxation—income taxes go up to 63·5 per cent. of the total income from capital, taxes levied on newly acquired property go up to 98·5 per cent. of the additional value. There is a deficit of about 2,000,000,000, apart from the deficit of the Post Office and of the railways. Moreover, taxes cannot be collected until late in the year ; and it is by no means sure whether the country will respond to the new demands. As prices go on soaring, there will be a new deficit before the harassed Chancellor of the Exchequer has found a way to meet the old one. A ton of hematite iron cost about 80 marks

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before the war ; it had risen to 366 marks 50 pf. on April 1, 1919 ; it stood at 1,171 marks 72 pf. on December 1, 1919 ; and at 2,338 marks on April 1, 1920.

German exchange, it is true, has greatly improved lately—the hole in the Western frontier has been stopped—but if a new demand for foreign commodities were to arise without adequate credits being forthcoming, a new crisis might be at hand.

The enormous rise in prices is due partly to the inadequate supply of goods due to decreased production, and partly to the great issue of banknotes, which is unavoidable as long as the deficit in the Budget cannot be met. And the financial clauses of the Treaty of Peace make the issue of new Treasury bills a permanent necessity.

The paying of the first 20,000,000,000 marks in gold is depriving Germany of her ships, her cables, her assets in the Allied countries and the assets due to her from her former allies. All this is private property, and is the working capital of German business men and of German corporations. They have to be compensated by the government. A sum of 20,000,000,000 marks gold is worth at least 200,000,000,000 marks paper. It cannot be raised from taxation, it must be met by the contraction of a new debt, which will very nearly double the public debt. Each German man, woman or child, would then be responsible for a debt of at least 6,000 marks per head.

There is no use in becoming bankrupt, for the State owes most to its own citizens. The banks and the business men hold the Treasury bills, and if they were not paid the entire business life would crumble to pieces. And the mass of the people own the war loans ; if they make default public order will also make default. The small owners, the chief supporters of the existing order, would all turn Bolshevik.

But this is not all. An annual payment of 1,000,000,000 to 2,000,000,000 marks gold, which is the minimum stipulated by the treaty, means an additional annual

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burden on the Treasury of 10,000,000,000 to 30,000,000,000 marks. It cannot be levied by taxes just now. It can only be met by Treasury bills, and Treasury bills ultimately mean new banknotes and new banknotes increase the inflation and the burden.

If Germany is to pay—and she has entered a solemn obligation to do so, which she neither can nor will set apart—she must be made solvent. She can only be made solvent if she can work at top speed. She can only do so if her people are fed, if her factories are started. Credit, not in cash, but in food or in raw materials, is what is wanted. She must be able to use her coal for herself and for the Allies. Her people must not be irritated continually, and her government must not be held up to ignominy. Hers are the pillars—shaking indeed—on which the edifice of European civilisation is still resting. She is weak and tired, and she would not dream of revenge if there was the prospect of a decent future ahead of her. But, shorn of all power, as Samson was of his locks, she might be goaded into despair one day if the agony lasts too long and bury herself and the world in one mighty collapse.

PROBLEMS OF EUROPE : THE WORK OF THE SUPREME COUNCIL

THE work of bringing order into Europe, and of establishing those political conditions which are necessary for normal life, is proving long and arduous. At the best it must in truth be many years before the forces of reason have asserted themselves, before the evil results of the war have been eliminated and the new order of things confirmed. The causes of distress may be grouped under three headings. We have first of all the political problems arising directly out of the Treaties of Peace, the diminution of German territory, the break-up of the Austro-Hungarian Monarchy, the establishment of the new States, and the great increase of some of the older ones. Secondly, there is the economic problem ; the loss of wealth which was an inevitable result of the war has brought about a complete collapse of the currency in Austria, in Germany, in Poland and, though to a less degree, in the other countries such as Czecho-Slovakia, Yugo-Slavia and Rumania, and has even affected very seriously France and Italy. This has resulted in an enormous rise of prices, has made the resumption of normal economic relations very difficult, and thereby is impeding the restarting of production on which the population depend for their daily bread. These conditions have been aggravated by the conditions of Peace, and political causes are impeding an application of the necessary remedies. Thirdly we have—increased indeed by the economic condition, but in its origin different—the

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unrest which is due to the prevalence of what are called Communist or Bolshevik theories among a large and active minority of the working classes in most countries, a minority the intellectual strength of which depends upon the adhesion given to these doctrines by a considerable number of what we may call dis-classed intellectuals. Any one of these problems would in itself be sufficient to tax to the utmost the energies and abilities of those responsible for restoration ; in combination the task of dealing with them is so arduous that it may well appear to be almost beyond their powers.

Although the forces of disintegration take different forms in different countries, they are common to the whole of the Continent, and cannot be dealt with properly in any one country alone ; they illustrate in the most marked way the essential unity of Europe. It is necessary, therefore, that there should be common institutions to deal with them. The affairs of Austria, of Czecho-Slovakia, cannot be dealt with alone ; the value of the French franc and the restoration of the devastated districts in France is largely conditioned by the state of affairs in Germany ; the risings of the " Reds " in Germany are closely affected by the rule of the Bolsheviks in Russia ; Italy cannot settle down till the Adriatic problem is solved, and the unrest and disorganisation of the new Polish State affects injuriously the whole of the east of Europe. To meet this state of things there is therefore required common machinery which can take cognisance of affairs throughout the Continent. Two such organisations exist—the Supreme Council of the Allied and Associated Powers and the League of Nations. Any survey, therefore, must begin by considering how far they afford an effective instrument for the purpose. This is the more necessary because there is a clear indication that there is some want of effective co-ordination between the two.

The Supreme Council

THE SUPREME COUNCIL

WHAT is the Supreme Council, and what are its functions? It arose out of, and is the direct descendant of, the meetings between the heads of the Allied States who met from time to time at Versailles and elsewhere during the war for the purpose of co-ordinating the military and political action during the war. After the signature of the Armistice, reinforced by the representatives of America and Japan under the form of the Council of Ten, and for a short time (without Japan) of the Council of Four, it continued its daily meetings throughout a large portion of the year 1919. As such its first duty was to agree upon the terms of peace to be imposed upon Germany and the other enemy States. Side by side with that it had, in fact, to take to itself the power of imposing its will, if necessary, by force of arms, upon all parts of Europe. If acute friction arose between the Poles and the Czechoslovaks over Teschen, between the Italians and the Yugoslavs in Klagenfurt and Fiume, between the Poles and the Germans in Posen, between the Poles and the Ruthenians in Eastern Galicia, the problem ultimately had in every case to be referred to the Supreme Council in Paris; the different sides were heard by it; generally it appointed a Commission to investigate the matter on the spot, and ultimately it issued its award.

What then is the basis of the authority on which the Supreme Council of the Allied Powers acts in these matters? It has no legal basis. The authority of the Council resulted from the fact, first, that a state of war still continued, and all relations between the Allied Powers and the enemy States, therefore, were based purely on the military power which the Allies held in consequence of their victory in the war. Secondly, it was a result of the overthrow of Austria and Russia, and of the fact that over large portions of the Continent there was for a period no organised and

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recognised Government, so that the ultimate responsibility for the government of some districts rested in fact with the Allies. This applies, for instance, to a district such as Teschen and to Thrace or Albania. They had been separated from the States under which they had previously existed ; they had not been assigned to any other State ; there was therefore an absence of any legal Government. So long as this continued they came merely as a matter of fact under the government of the Supreme Council as the executive agent of the Allies.

Now, as terms of peace are concluded one by one with each of the belligerent Powers, and as in consequence a state of peace is substituted for that of war, so far as this has happened the responsibility of the Council is limited ; and, when the Treaty of Peace with Hungary and with Turkey has been signed, all its functions arising out of the first head will have been terminated. In the same way, its functions as *de facto* Government of undetermined territories ceases in each particular case so soon as this territory has been assigned to some recognised State. The result is that slowly and gradually these duties of the Council are disappearing. So far as can be foreseen they will shortly have disappeared altogether except for one or two areas as to which no determination has been made, such as Eastern Galicia and those districts on the shores of the Adriatic which have not yet been assigned either to Italy or to Yugo-Slavia.

It is clear that these functions, so long as they exist, must be exercised by the Supreme Council, and cannot be transferred to the League of Nations. They are functions of government. They require strong forces, large resources, and a united will and purpose, none of which qualities is at this moment possessed by the League of Nations. The League of Nations will, we hope, in time acquire great authority and widespread influence ; but Washington's maxim stands that "Influence is not government," and it will at once be clear that no duties

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of this kind could possibly be taken over by it. For this reason the League was right in refusing the invitation addressed to it by the Supreme Council to undertake the responsibility for the government of Armenia. For the same reason, it seems impossible for the League to undertake any responsibility with regard to Russia.

In any consideration of the work which has been done by the Supreme Council, it is a matter of historical knowledge that its action has in this matter of government often been defective; it is only necessary to refer to the Polish occupation of Eastern Galicia, to the conflict of Hungarians and Roumanians in Transylvania, or to the seizure of Fiume by D'Annunzio. There are two reasons for this weakness in executive action. The first is physical. The forces at the disposal of the Supreme Council were the armies belonging to the States represented on the Council itself; in this matter Japan does not count; these were, therefore, the armies of France, Great Britain, Italy and the United States. It soon became apparent, however, that the resources of these four States were not sufficient to provide the very large forces necessary to keep order throughout Europe during the intermediate period before this function could be handed over, after the frontiers had been settled, to the several States. In some cases the weakness was in the quality of the troops—as in those which were dispatched to Odessa by France—in others it was that sufficient troops were not available. And the States were not willing—perhaps were not able—to incur the necessary expenditure. The other reason was that the efficient display of force could only be exercised if there was not merely a formal agreement upon a particular formula which had been chosen as a compromise between differences of opinion, but a real genuine harmony of thought between the different States. This was especially illustrated in the case of Fiume. Here force, if exercised, would have had to be directed against one of the Allies themselves, and had this been done it would almost

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inevitably have broken down the Alliance. This was also true with regard to most of the difficulties which arose in Polish affairs. It is one thing to get the heads of the States meeting at the Quai d'Orsay to agree on a formula to be applied, another thing to get them to enforce it, possibly by fighting. The former could be achieved, the latter could not.

If we wish for an historical analogy—and they are always useful—the obvious one is to be found in the condition of Europe from the first Peace of Paris in 1814 to the final settlement after the Congress of Vienna. Now the essential point to be observed is that at this time the rulers of the Coalition had full and complete power to enforce their decisions upon Europe. The control of affairs rested with the Tsar, the Austrian Emperor, and the King of Prussia acting in agreement with Great Britain. All these three men were autocratic rulers, with a complete and unchecked authority over their own dominions, and they had at their disposal large armies, which were actually stationed within the territories to be disposed of by the Congress of Vienna. The most important of these territories were in Germany, and for many months the Government of Germany was in the hands of a Central Commission, the head of which was Stein. No attempt to dispute the decisions of Vienna, when they were unanimous, could even be entertained, because of the overwhelming military forces at the disposal of the Coalition. It is this power which has been wanting in Europe during the last two years. And it was wanting for two reasons. First, because the rulers of the Allied States had not at home the complete authority which their predecessors enjoyed. This is part of the price which we have to pay for the progress of democracy—no doubt a preferable form of government, but one which in international relations creates difficulties which the old autocracy did not know. Neither M. Clemenceau, nor the President, nor Signor Orlando, nor the Prime Minister, could really dispose as he wished and as might be

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necessary for carrying out his policy, of the armies, for, in fact, at any rate in the case of Great Britain, the army was crumbling away all the time. In addition, owing to the circumstances in which the war concluded, the armies were only to a very small extent in actual occupation of the country to be disposed of.

There is, however, another set of functions exercised by the Supreme Council of a different character. It is responsible for the execution of many of the provisions in the Treaties; the terms of the Treaties have been so drawn as to leave many matters to be settled by the discretion of the Principal Allied and Associated Powers. For this purpose the Ambassadorial Conference, which sits regularly at Paris, has been established, and, generally speaking, their decision will be final as between the Allies. In matters of exceptional importance it may, however, be necessary for them to refer to their Governments for instructions, and in some cases the matter may be one which will require a special consultation between the heads of the Governments themselves.

It may be useful to give illustrations of the matters which come under this heading. The plebiscite in Slesvig has now taken place; the Commission have drawn up their report; it has to be sent to Paris for final approval and for a decision on any points on which the members of the Commission have not been able to come to a unanimous agreement. Again, there is the case of Danzig. The procedure has been fully arranged under the Treaty. It is there provided that during the transitional period, before Danzig is established as a sovereign State, it shall be under the sovereignty of the Allies. During this period all questions connected with it must, therefore, be handled by the Conference at Paris, and they cannot evade the responsibility. When their work has been completed, when the constitution of the city has been determined, when the Treaty with Poland has been agreed, then the functions of the Allies will cease, Danzig will become an independent city,

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its relations with Poland will have been determined by treaty, and from this moment, as it is expressly stated in the Treaty, it will come under the protection of the League. In other words, the League comes in later ; and it would only be to weaken, and not to strengthen, the position of the League if any proposal were to be made by the Supreme Council at the present stage to repudiate the responsibilities which have been thrown upon them. Perhaps the most important matter which under this heading is assigned to the Supreme Council is that of reparation. The reparation clauses are extremely difficult to understand, and it may even be suggested that they are inconsistent with one another ; but one thing is clear—that the Treaty gives to those Allied Powers who are represented on the Commission, or their representatives, the right, and the sole right, to modify or interpret the terms of the section and to reduce or postpone the payments to be made by Germany. This is a responsibility, then, which belongs to certain of the Allies whose names are specified ; it is not a responsibility of which the League ought or would be willing to relieve them. It will, however, be all to the good if they take the German Government into consultation, as is proposed.

The conclusion, then, is that there are very important functions which belong to the Supreme Council, whether they are dealt with by itself directly or by subordinate commissions appointed by and responsible to it. These functions are, it is true, gradually diminishing in extent ; those arising from the state of war will, it is hoped, soon have disappeared ; the second set, the government of unallocated regions, will also continue, probably, for only a very brief period ; the third, the execution of the Treaty, will continue for some considerable time. Now none of these seems to be of such a nature that it can be transferred to the League of Nations, and the decision which was recently made at San Remo that the Supreme Council should continue to meet from time to time as appears

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necessary seems to us to have been one which was perfectly correct. The suggestions which have been made that their work should be merged with that of the League of Nations is one which is misleading.

POLAND AND RUSSIA

THE internal condition of Russia remains as always, enigmatic. One thing is clear, viz., that the Soviet Government is the only authority of any kind which exists in the country. Beyond its fiat is mere anarchy; each village lives its own life, cut off from all dealings with its neighbours. There is no trade, no transport. In a few large towns the Bolsheviks are able, by the exercise of unparalleled tyranny, to maintain their authority; having destroyed every other organisation and exterminated all those who opposed their will, they may be able to assume even some appearance of clemency. They still have very considerable military resources, and are able to put into the field armies which are a serious menace to their immediate neighbours.

In a general way this state of things, lamentable as it is, is one with which neither the Supreme Council nor the League of Nations is capable of dealing. As a result of the discussions which have taken place during the last months, all suggestions for forcible interference in Russia have, as we believe rightly, been definitely rejected. It is even proposed by Mr. Lloyd George and Signor Nitti to try to establish some kind of relations with the Soviet Government, which would thereby receive that form of *de facto* recognition which often has to be conferred on what is obviously merely a temporary revolutionary authority. A result of this, and a desirable result, would be to break down the barrier which has prevented all intercourse between Russia and the rest of Europe, and allow such trade as was possible to arise.

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The situation is, however, a very different one for those States which are on the borders of Russia. They find themselves confronted by a very dangerous situation, and at any time may be exposed to an attempt at intervention. It is clearly their duty to protect themselves. The best protection would be at any rate a provisional arrangement as to frontiers by which the Soviet Government would undertake not to interfere west of an agreed line. Negotiations of this nature are in progress, and it is to be hoped that they may be successful. They probably will be for the small Baltic provinces, but the prospect is not favourable with regard either to Finland or Poland. Under these circumstances the Poles have decided on a considerable military advance. The reasons given for this are that it is in reality merely a strategic measure of defence ; they wish to occupy the line of the Dnieper. Whether or not they are wise in this action depends upon circumstances which at this juncture cannot be foreseen. They have started with very considerable success. If they succeed in their endeavour, and do not spoil their successes by too great an advance, they may succeed in their present campaign, but if their action brings upon the new State the permanent resentment of a combined Russia, temporary success might be dearly purchased. This action of Poland is, however, one for which Poland itself is entirely responsible. As a sovereign State, they have decided to take such measures as seem necessary to them to protect their own population against the anarchy which exists beyond their borders and against the risk of military invasion. It has been made clear to the Polish Government that, while the Allies claim no right to interfere in this action, they also have no responsibility for the results of it. If it is successful, full credit will accrue to the Polish Government and the Polish army for the military side of the achievement. The Allies are concerned to see that any advance of the Polish army does not prejudice the ultimate determination of the Eastern frontiers, for by the Treaty of Versailles Poland has agreed

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that the determination of this frontier shall eventually be decided by the Principal Allied Powers.

THE SLESVIG PLEBISCITE

THE first of the plebiscites has taken place in accordance with the Treaty of Versailles, but has brought a sword and not peace in its train. The Slesvig question did not arise directly out of the war, and could not be dealt with by the Paris Conference on its own initiative. The Danish Government of the time, similarly, did not feel it a proper subject for representations; but they gladly agreed to the request of the North Slesvig Electoral Society and forwarded the Aabenraa resolution to the Conference. Already the Rigsdag had unanimously agreed (October 23, 1918) "that no change in the status of Slesvig except one based on the principle of nationality would accord with the desires, feelings and interests of the Danish people"; and from that day to the adjournment of the Rigsdag for Easter, neither the Rigsdag nor any party had formally receded from that position.

This point is of some importance since the recent Danish crisis arose out of a tacit repudiation of the results of the plebiscite. The First Zone, voting *en bloc*, declared itself for incorporation with Denmark by a majority of three to one; and it is impossible to see how a fairer "watershed" of races could have been found than the southern boundary (the Clausen line) which leaves to the north every commune where the Danish vote justifies incorporation with Denmark and to the south every commune which can more fairly claim to remain in Germany. But when the voting took place in the Second Zone, on March 14, and these facts became clear, some sections of the Danish people were dismayed. The more prudent had never expected any other result; but the Chauvinists had been blinded by their hopes, and refused to believe that they could lose the Second Zone, or, at any rate, Flensburg.

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Up to the adjournment of the Rigsdag, the opposition took no step beyond expressing "confidence" in the decision of the International Commission. But on March 27 the opposition parties in the Rigsdag issued manifestoes in favour of an immediate election, and two of the Government party published statements that they were joining the opposition on the Slesvig question. The Government had no majority in the Upper House, and by this defection its small majority in the Lower House was swept away. At this juncture King Christian called upon M. Zahle to resign, and, on his refusal, dismissed him. The King had never concealed his sympathy with the Chauvinists, and his hasty action at once precipitated a crisis. Left alone, M. Zahle was doomed. Deposed, he was the symbol of the rights of the best organised political group in the country. The King asked M. Liebe, a high Court advocate, to form a Cabinet d'Affaires, and a Government was formed by midday on March 30.

But feeling now began to run high. On the preceding evening a Trade Union deputation had called on the King and demanded the recall of M. Zahle under threat of a general strike; and on the following day a mass meeting of supporters of the late Government decided to declare a strike, to become fully operative on April 6. On the 31st two Socialist members of the Lower House called on the King, and on his refusal to agree to their demands a general strike was declared. It is probable that it was never expected to be more than a threat. But behind it the forces of the country Liberals and the town workers joined issue; and, after some abortive negotiations between M. Liebe and the Social Democratic Committee of Action, the King called a conference of party leaders at 9 p.m. on April 3. In the seven hours' discussion the King's position was put and lost. M. Liebe was called upon to resign, and a new Cabinet d'Affaires was formed, chiefly of Government officials. During its uneasy life of 4½ days, the Liebe Cabinet had achieved nothing, and the terms of

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agreement were substantially those which the Committee of Action had demanded on April 1.

The King had to capitulate ; but it is absurd to call his action " unconstitutional." It may have been hasty and ill-considered, and the cries of " Long live the Republic " will be heard again. Behind him there manœuvred astute politicians anxious to secure an election on the old electoral law. They, too, suffered defeat, for the Electoral Bill, which was one of the terms of agreement, was passed on April 11 by the newly summoned Rigsdag. And the issue from which the crisis arose is not a matter in which the Danes alone are concerned, even if their interests can be considered at all.

The Allies and Germany are the chief parties to the contract, the Danes being merely beneficiaries under it by the Slesvig clauses. But it is too easily forgotten that the Treaty cannot be taken as a mere text for punitive measures against Germany. The International Commission cannot do more than recommend small local changes on the frontier of the First Zone, and the Allies would strike more seriously at their own prestige than at Germany by any bowing to the clamour of a noisy Danish minority. The Zahle Government at least saw where their own interests lie. The Chauvinist Danes have the less claim to consideration that they agreed, without protest, that nationality alone should decide, but objected to the result when the decision was not in their favour. As the " Opposition " have now returned to power, it is probable that a demand will be made for the internationalisation of the Second Zone or of Flensburg. It is to be hoped that the Allies will realise that such a solution would not only make them guilty of treachery to Germany, but also a false friend to the Danes, who can only reap disaster from the alienation of their powerful neighbour.

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ITALY AND THE PEACE

THE many strange and often strangely contradictory views which are finding expression in this country—in the Press and even in circles where an intelligent enough interest is taken in Foreign Politics—about the condition of affairs and the trend of public opinion in Italy, cannot altogether be explained by the Englishman's traditional inability to mix his understanding with the Latin mind. There has been here a real lack of significant information about Italy. Italian propaganda has been chiefly confined to reiteration of proofs of how much Italy did and risked to help win the war, of how bravely she fought and with what miserable resources, of the justice of her national claims and of her moral right to economic assistance. But propaganda of this kind, however effectively conducted, explains nothing. It may win by arousing our sympathy; but it fails inevitably to form public opinion in any way capable of helping our statesmen to deal with events in a statesmanlike manner—that is to say, to take the long view and to pursue a consistent policy. Besides, propaganda may be met by counter-propaganda. A deluge of interested opinions in one sense and another soon becomes uninteresting; and that subtler and more valuable kind of propaganda that seeks to interest the uninitiated in the commercial, artistic and scientific achievements of a particular country, bears fruit too slowly for the man who runs and reads. The statesman has, indeed, the Foreign Office reports to fall back on; but where the corrective of independent information, unbiassed and of a synthetic character, is absent, it is only too easy for him to be misled. Foreign Office reports are at any rate inaccessible to the public, and the Press, too often lending itself to propaganda, has as a whole starved the public of significant foreign news. Given the importance of Italy, this fact has been particularly noticeable in regard to her.

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During the past year or so, Italy has been represented abroad in a coat of many colours. She has been, on the whole, misrepresented. Over here, in America and in France, if she has not been universally unpopular, she has been at any rate no favourite. There is too much unpleasant gossip at her expense. She is dubbed aggressively imperialistic one day and dangerously bolshevik the next. Her loyalty has been frequently suspect. Where there is smoke there must surely be a fire. Or is it all counter-propaganda? What are the true facts?

Without discounting in these times of bitter strife the possible effects due to counter-propaganda, it must be admitted at the outset that there are certain facts in the situation which, served up to an uninformed public without explanations and in the form of half-truths—and half-truths are often more misleading than untruths—at first sight may indeed look ugly. As a matter of fact they fit into a scheme of things which to a liberal observer is by no means unpleasant to contemplate; and perhaps the most effective way of giving them their true relief is by placing them in correspondence with certain other salient facts of Italy's present condition and immediately past history. It will then be seen exactly how these imputations against her of internal instability, of imperialism, and of bad faith have come to be credited.

In the first place, it is important to take into consideration the peculiar parliamentary situation reigning in Italy at the outbreak of hostilities in August, 1914. The country was governed by a group of conservative gentlemen, who possessed neither a majority in Parliament nor a following in the country. It was a stopgap Ministry. But that is not all. It very soon became apparent that the "Liberal" majority in Parliament, more or less in the pocket of Signor Giolitti, who favoured a policy of neutrality, was losing touch with public opinion, which began more and more to be echoed in Parliament by the various extreme parties of the Left (the official socialists excepted). The Govern-

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ment consequently found itself in the anomalous position of having to depend upon the support of those who normally were its extreme political opponents.

Apart from the obvious disservice to the best interests of the country which a general election would have involved, fought as it was bound to have been fought at that time on the issue of war and peace, in the very face of a mobilised enemy, such a course would have brought no advantage to the Government. Up to the last moment it was doubtful whether the neutralists, who were in a formidable majority in Parliament and even quite sincerely and, as it has since proved, justly alarmed at the economic ravages which war was likely to cause in the delicate fabric of Italy's hardly won prosperity, might not be returned definitely to power. On the other hand, a victory for the war party would have resulted incidentally in a triumph of the Left, a prospect greatly distasteful to a government of staunch conservatives. The course, therefore, which the latter pursued was really the only one open to them—namely, to cling to power, to prepare for war and to allow public opinion gradually to crystallise on the main issue. Events completely vindicated their calculations. When matters came to a head in May, 1915, Giolitti's attempt to box the compass failed utterly in the face of a courageous government and a determined populace, who, descending into the streets throughout the length and breadth of the land, made it abundantly clear that Parliament must be the servant of the people or there would be revolution. The neutralist majority dispersed into smoke. War was declared.

The motives, however, which led the Government to declare war and the people to insist on it were quite different. The people wanted war for the sake of an ideal. They saw in it the opportunity for which they had waited so long of completing the national unity; they saw in it a contest waged between the forces of democracy and of reaction; and they feared that a German victory meant the eclipse

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of Latin civilisation, of which Italy was both the mother and the purest offspring. The government, on the other hand, had approached the problem from the practical point of view of *real politik*. Signor Salandra summed up the attitude of his government in the significant phrase *saero egoismo*, which will go down to history as the perfect expression of his policy. He was Nationalist from the narrowest Italian standpoint only. His decision was based on a careful balance of probable advantages and disadvantages, weighed on the scales of the old diplomacy and measured by the eye of a short-sighted conservative statesman, who both feared and distrusted democracy.

His chief concern in deciding on war was precisely this. What demon would not war unloose? He was unable to conceive his country's good as distinguished from the preservation at all costs of its monarchical institutions and the pseudo-aristocratic order of society. He was perfectly aware of the threat to the existence of the Austrian Empire, but he neither foresaw its inevitable collapse nor desired it. He desired only to weaken it. If the most ancient monarchy in Europe fell, what might not be the repercussions in Italy where monarchical traditions have no deep root? His hope of victory in short was a draw in favour of the Allies after a comparatively brief, successful campaign, in which the weight of Italy's aid would emphasise the parity of the contending forces, and, therefore, the unlikelihood of a decisive victory on either side. He completely under-estimated Germany's ruthless ambition if he did not altogether under-estimate her strength. In fact, he calculated on Germany's willingness for an early compromise after her initial failure to secure a decision.

Baron Sonnino, who became his Foreign Minister in the autumn of 1914, on the death of the Marquis di San Giuliano, became henceforth also the real power in the Government. In him was continued Salandra's policy after the break-up of the Salandra Government, and right through until his own fall following his failure at the Peace

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Conference. He was able to retain the reins of power solely on account of the curious Parliamentary situation at a time when public opinion had no chance of asserting itself against Parliament. His personal integrity and sincerity, and his reputation of being a strong man, which his silence had earned him, procured him support in many quarters otherwise hostile to him. The Liberal majority as a whole supported him, for they, too, desired a compromise peace for the same reasons, chiefly economic, that had led them at first to be in favour of the maintenance of neutrality. The Left, who were not strong enough to form a Government of their own, preferred him to the "Liberal" ex-neutralists, because, after all, in spite of his reservations and ultra-conservatism, he had, at any rate, earned their gratitude by bringing the country to the support of the cause they believed in.

The whole of the vigorous thinking manhood of the country was under arms, and therefore to that extent gagged. The only alternative Government, short of having a general election, which was out of the question, was one that could not be trusted to prosecute the war whole-heartedly. It is not, therefore, surprising that Baron Sonnino seized the opportunity, and that successfully, to exploit the situation to the advantage of the policy which he sincerely conceived to be in the best interests of his country. He exploited by the control and censorship of the Press the general prevailing ignorance as regards the exact limits of Italy's just national claims. His silence prevented his differences of opinion with the majority of his countrymen from ever being placed in too great evidence, and with the advent of victory the belated attempts to bring about his downfall were doomed to failure. Throughout the war, therefore, and throughout the peace negotiations, the Italian people was represented by a statesman who shared none of their ideals.

This fact explains a great many things. It explains the unjust secret Treaty of London, both as regards the

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Italian claim to Dalmatia and the omission to claim Fiume, which it was contemplated would remain the port of a weakened Hapsburg Empire, dominated by Hungary, who could be relied upon to protect against the Slav the Italian element. It explains the delay of Italy in declaring war on Germany. It explains the intrigues of the Italian Government in favour of ex-King Constantine of Greece. It explains the subsequent intrigues, or rather toleration of intrigues, during the Peace Conference by the Italian military and diplomatic representatives in the occupied territories and in Hungary in favour of saving something of the wreck of the old order. It explains the charge against Italy of imperialism, and, to a certain extent, that of bad faith. It also explains President Wilson's appeal to the Italian nation over the heads of her representatives.

President Wilson was as often theoretically in the right as he was practically in the wrong. For the moment—given the influence of a Government-controlled Press, the legacy of bitterness which the atrocities by Croatian troops left behind, and the inevitable ignorance of the masses as to the exact rights and wrongs of an extremely complex, technical and debatable problem—the result of his appeal could only be to rally a proud and sensitive people in the face of an apparent interference by a foreigner to the side of a Government of which in reality they were already heartily sick; all the more because he was one who was already completely discredited in their eyes on account of his failure in other respects to uphold at the Conference the ideals of the just peace he had once so vociferously advocated. The day of reckoning was, however, not far off. Before the end of June the Government had fallen, and it had fallen as much on account of its general attitude at the Conference as on account of its failure to settle satisfactorily the Adriatic question. Signor Turati, the Socialist leader, spoke for the vast majority of his countrymen when he denounced the Government in the following terms: "*How can you expect justice*

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to be done to you when you have persistently connived at so many injustices yourself?" The rank and file of the Liberal Party, which, apart from certain interested groups, had now no more reason to support the Government, rallied before the pressure of public opinion under the leadership of Signor Nitti, the most experienced of the younger members of the "old gang," and about the only Liberal leader who, in spite of his neutralist antecedents, was nevertheless acceptable to the Left.

From this moment things at last began to fall into a position of equilibrium as between Parliament and the country. The people had not long to wait before having an opportunity of declaring their opinions. After the rapid passage of a Reform Bill, which established the principle of proportional representation, Parliament was dissolved, and the general elections took place. The verdict of the country was precise on every one of the main issues. First, the avowed Nationalists (Imperialists) who had made such a clamour in the Press, had spoken so big and had acted so daringly, and had consequently given the impression abroad of being a real power in the land, succeeded in returning three members only. Even added to the remaining members of the extreme Right, their numbers count less than one-twentieth part of the new chamber. Next, the ranks of all the Liberal groups who had persistently failed to understand the moral necessity of the war were decimated. Lastly, the parties which could alone be counted upon to hasten forward the reform of the country's institutions in a democratic sense, to cultivate peace and a sincere internationalism, namely, the Socialist and the Catholic, were returned in preponderating numbers.

Thus the Italian people alone among the Allies have reaffirmed in the hour of peace and victory the ideals which in the hours of doubt and trial had sustained the common cause. The temporary reaction against these ideals which has characterised the public temper in Britain, and

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especially in France, has been scornfully and somewhat bitterly refused by Italy. Never was public opinion anywhere so perfectly united on an issue as it is in Italy in regard to the paramount necessity of a complete revision of the Peace Treaty, which is universally condemned as unworkable, unjust and a shameful violation of the armistice terms. This opinion is shared by the present Government, though the Prime Minister might not think it expedient to admit it. Signor Nitti is pre-eminently an economist, and he sees, quite rightly, that the main problem before Italy and Europe at the present moment is an economic one. He is resolutely determined to insure his country's health before embarking on any policy wherein there may lie elements of risk. Though the more democratic parties profoundly distrust his opportunism, they feel that a certain degree of opportunism is a necessity, given the absolute economic dependence of Italy at the present moment on the foreign Governments pledged to enforce the Treaty as far as its economic and territorial stipulations are concerned.

In these circumstances it is not surprising to hear Italy spoken of as pro-German and pro-Bolshevik. The noisy Bolshevik element in the Socialist party, the marked democratic tendencies in Italy in contrast to the general spirit of reaction elsewhere, the desire of all parties to enter into commercial relations with Soviet Russia and to recognise the *de facto* Soviet Government, all go to reinforce the latter imputation. As a matter of fact, there is no prevailing feeling of friendliness for either the Germans or the Bolsheviks. There is a passionate desire on the other hand for peace, and Italy believes there can be no peace unless it is a peace of reconciliation. She desires, too, a re-establishment as soon as possible of normal conditions of production and exchange in Central and Eastern Europe, a hope severely jeopardised by the economic clauses of the Peace Treaty and by the refusal of the Entente to come to terms with Russia. What anti-English or anti-

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American sentiment there is in Italy to-day is due fundamentally to the feeling she has of dependence on England and America, a dependence which prevents her coming out in her true colours as a world leader of sane democratic opinion, until a change of attitude begins to manifest itself in these countries. Italy is prepared to await, though somewhat impatiently, that day, which cannot be long delayed. But she looks to Signor Nitti to act courageously and unmistakably when the psychological moment arrives, so that she, who has never deserted her ideals, may receive the world's homage due to her on that account.

Whether Signor Nitti, or any other possible Italian Premier, has the largeness of vision necessary in order to be able to rise to this occasion remains to be seen. As far as the British public and British statesmen are concerned, however, the essential facts to grasp as regards Italy now may be summed up in conclusion as follows: Italy stands for democracy and a sincere internationalism with no respect of persons. She repudiates any idea of violent revolutions, and is for the moment chiefly concerned with her economic problems, which she is confident and resolute to resolve. The labour unrest is no graver in Italy than elsewhere, and her willingness to work and to produce is in many respects more evident. She is solid in favour of a revision of the Treaty, especially as regards the economic clauses, the Saar valley, the prohibition on Austria to join Germany, and the unfair treatment of German interests in the control of the internal waterways of Germany. She would also like to regard the frontier-drawing throughout South and Eastern Europe as purely provisional, which it will be the first duty of the League of Nations to revise according to the common sense principles which in nine cases out of ten nature imposes. For the moment she acquiesces in the present arrangements out of a spirit of opportunism, given her position of dependence. She desires to cultivate cordial relations with all peoples, to enter into no alliances. It may, in

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fact, be taken for granted that if her Government contracts any secret treaty it will never be considered binding by the country. Lastly, she looks forward particularly to the time when public opinion in France will allow of an intimate collaboration with that country. In spite of all the old rancours and jealousy and the present divergence of aims that exist between the two sister nations, there is no question that Italy stands for a Latin foreign policy, that is, a gradual drawing together, under her eventual leadership, of all those countries which possess Latin ideals of civilisation, to form a strong, self-sufficing league within the League of Nations, strong and populous enough to stand in a position of equality with any actual or possible Anglo-Saxon combination.

Amid the tangle of opinions and moods that find expression in a country so intensely alive and infinitely individualised as Italy, these are the salient facts which stand out in the view of any impartial observer who refuses to allow himself to be confused by the restless complexity of the detail.

UNITED KINGDOM

I. THE POSITION OF THE GOVERNMENT

THE domestic politics of the last quarter have seen a very obvious improvement in the position of the Government. All the usual tests confirm the change, and there is no mistaking the verdict of the recent by-elections. THE ROUND TABLE went to press last February on the eve of Mr. Asquith's return for Paisley, and just at the end of a series of contests in which Labour, without actually securing many seats, had everywhere shown substantial progress in the constituencies. Since that time no fewer than eleven by-elections have taken place, five of them the result of changes in the Ministry. In nearly every case high hopes were expressed in advance in the various Opposition parties. In several of them the Opposition candidates were prominent persons, specially imported with a view to winning the seats. Yet in no single case did the representative of the Coalition suffer defeat, and, what is more remarkable, the polls on the average showed little falling-off from the figures of the General Election. Thus Sir William Sutherland, the Prime Minister's former private secretary, secured a majority of nearly 5,000 in Argyllshire, while Dr. Macnamara actually lowered the Labour vote in Camberwell. In Stockport, where two vacancies occurred simultaneously, the Coalition scored a remarkable double victory with a Conservative and a Liberal running in double harness; and a seat, formerly held unopposed by Mr. Wardle, was lost to the Labour

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Party. Basingstoke and Northampton went the same way, the latter with an adequate, if reduced, majority of more than 3,000 over the Labour candidate, Miss Margaret Bondfield. So did both divisions of Edinburgh, where Mr. Runciman brought the whole strength of the "Wee Free" Liberals into the contest; and the list ends with Sir Hamar Greenwood's easy re-election for Sunderland on his appointment as Irish Secretary. The one outstanding Labour poll was at Dartford, where Mr. Mills succeeded in beating all his four opponents put together, and replaced an old-fashioned trade unionist by a politician of a far more advanced type.

These by-election results are not to be disputed. They may not be repeated, but they are signs—at all events for the time being—of a phase in public opinion which is palpable enough in other directions. The plain truth is that, except for the heated politicians of the Lobbies and the Press, no one has time in these days for the kind of party controversy which was so absorbing to previous generations. Those who look below the surface know that an immense amount of unobtrusive hard work is being done in England to deal with an unprecedented economic situation. Financiers, bankers, manufacturers, heads of every kind of industry and commerce, are absorbed as they have never been absorbed before. The very last thing that these men desire is the distraction of a political upheaval. They cannot afford to be bothered with the clamour of men whom they suspect of merely personal pique and ambition; and, while the character of the Government is certainly of the utmost importance to them, they are not disposed to make a change till they see their way clearly to a better alternative.

In the first period of universal dissatisfaction after the war the search for alternative Governments and for permanent parties was brisk enough. There was a remarkable rush, for example, to the Labour Party, which had formally invited the support of workers "by brain" as

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well as "by hand"; and no doubt the fortunes of political Labour are always steadily improving. But the real objects of the Labour Party, as at present constituted, are becoming better and better understood as bearing little relation to the speeches of its more moderate and experienced leaders. There is a growing doubt of the capacity of these men to control their rank and file in office, and they themselves are the first to admit that immediate office is beyond their unaided competence, and, indeed, beyond their own wishes. They will take it when they can get it, but they are in no hurry for it, and the public at large is in no hurry for the experiment.

Nor is there any popular enthusiasm any longer for that revival of the old Liberal Party, as an opponent of the Coalition, which was vociferously promised as the consequence of the Paisley election. Mr. Asquith's return to Parliament was desired by so many sections, on so many different grounds, that it was always in fact a foregone conclusion. But only the shortest or the most interested memories found a reason for supposing that it would mark a new epoch in our politics. There was never any fundamental difference between Mr. Asquith's policy, as expounded in his election speeches, and that of Mr. Lloyd George; and the solitary difference which he has found since he came back to Westminster—his rejection of the Prime Minister's attempt at an Irish settlement—has proved more disconcerting to his own backers than to anyone else. His reappearance has unquestionably accentuated the schism in the Liberal organisation, and there is a violent and rather indecent struggle in progress for the possession of the "machine" and the party funds. But the bulk of the population, who have other things to think about, are no longer greatly interested in a quarrel which seems to have no true division of principle behind it. The general effect has rather been to strengthen the hands of the Coalition as being at least a genuine attempt to subordinate party rivalries and personal ambitions to the achievement by a

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fairly competent team of Ministers of a task too heavy for any sectional Government.

Meanwhile, quite apart from the public dissatisfaction with his rivals, Mr. Lloyd George has materially improved his personal position both by more regular attendance in the House of Commons and by his conduct of foreign affairs. This is not the place to discuss the San Remo Conference—a notable landmark in the chequered history of the Peace, of which some aspects are considered at length elsewhere. It is not altogether inappropriate, however, to note that San Remo has had its reaction upon our domestic politics, and that the Prime Minister's success in maintaining both the solidarity of the Alliance and his own correct instinct—and that in the face of a peculiarly unscrupulous attack from his enemies—has lately won him fresh support at home.

II. MR. CHAMBERLAIN'S BUDGET

IT was thus at a comparatively favourable moment for the Government that Mr. Chamberlain introduced his Budget on April 19 in a speech which was recognised as unusually candid and luminous. He began, according to custom, by reviewing the financial position with which he had to deal. The expenditure for the past year had amounted in the end to £1,665,773,000, a colossal total, but considerably less than the revised estimate. The revenue, on the other hand, had greatly exceeded the estimate, largely owing to the increased yield of the taxes on spirits, beer, tobacco, and tea, and amounted to £1,339,571,000. The resulting deficit of £326,202,000 was thus nearly £147,000,000 smaller than had seemed probable last October. And revenue had provided four-fifths of the Exchequer issues during the year, less than one-fifth coming from loans. It was a good record that even during the years of war as much as 36·17 per cent. of the expenditure had consistently been so pro-

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vided. Meanwhile the dead-weight debt at the end of the financial year stood at £7,835,000,000, of which roughly one-sixth was floating debt, a diminished proportion of the whole, but still presenting a difficult and most urgent problem. Mr. Chamberlain here interposed a thoroughly well-deserved tribute to the work of the War Savings Committee under the chairmanship of Sir Robert Kindersley, and announced that the system of savings certificates would be continued.

For the current year the expenditure was estimated at £1,184,102,000, and the revenue, on the existing basis of taxation, at £1,341,650,000. Both figures inevitably contained certain large items which were not strictly attributable to the year's working, but these roughly balanced one another, and the result was an estimated surplus of £164,000,000—a beginning, but not a sufficient beginning, of the reduction of the debt. The Chancellor of the Exchequer proceeded therefore to outline his scheme for increasing his margin.

Dealing first with the Post Office, which had sunk from a revenue-producing to a subsidised department, Mr. Chamberlain proposed to balance the present expenditure (due to increased wages and bonus) by increasing the minimum letter postage to 2d., newspaper postage to 1d., postcards to 1½d., and telegrams to 1s. He further foreshadowed higher telephone charges. Incidentally he announced his acceptance of the recommendations of the Departmental Committee to substitute a higher tax on motor-cars as from January next for the existing petrol duty, though the Road Fund and not the Exchequer would in this case derive the benefit. Nor, it may be added, is the Exchequer affected one way or the other by Mr. Chamberlain's next announcement—the occasion of some not unnatural mirth—that the famous Land Values Duty was henceforth to disappear. It was already in abeyance, had produced practically no revenue, and survived, in so far as it survived at all, as the reminder of a violent political

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campaign and of a crop of intricate litigation. The Mineral Rights Duty remains, and so does the Valuation Department of the Inland Revenue.

These were the trimmings of the Budget. The serious part came next with the proposals for new taxation. Mr. Chamberlain began with the liquor trade. Spirits, he said, would pay an additional 22s. 6d. a gallon (raising the price by 2s. a bottle), and would yield in a full year the further sum of £24,500,000. Beer would pay an additional 30s. a barrel (raising the price by a penny a pint), and would yield another £22,500,000. The wine duties, untouched last year, would be doubled all round; while sparkling wines would pay a special duty of half their value—in other words, of about 6s. a bottle of champagne at present import prices. From wine, in a full year, an additional revenue of £4,800,000 was to be expected. Cigars would be treated like sparkling wines, with an additional *ad valorem* duty of 50 per cent.; and with that the total increase from Customs and Excise (after allowing for the repeal of the petrol duty) was estimated at £54,730,000.

Mr. Chamberlain passed to the field of direct taxation. The twopenny stamp on cheques had justified itself already. He proposed in future to double likewise the duty on transfers and on bearer securities, and to increase fourfold the capital duty paid by limited companies. The penny stamp on ordinary receipts would also be doubled, in order to reflect all round the altered value of the currency. From these various changes he expected in a full year to obtain an additional yield of £6,300,000.

The income tax—"the premier tax of the United Kingdom"—would remain at 6s. in the pound as the standard rate, but its incidence would be changed in various particulars, in accordance with the recommendations of Lord Colwyn's Royal Commission, which Mr. Chamberlain described as "marking an epoch" in fiscal history. These changes would not indeed produce more revenue. On the contrary, they would even diminish the

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total yield of the tax. But they would take more account of family responsibilities, would mitigate the injustice of the double income tax, and would generally make the burden correspond more closely with actual ability to bear it. The exemption limit at the bottom of the scale would be raised, and the limit of super-tax lowered, two changes generally expected, but involving the perpetuation of the system under which the great majority of the community has no direct interest in the financial stewardship of its Government.

Mr. Chamberlain's real bombshell came last, in his announcement that the Excess Profits Duty would not only be retained, but would be increased from 40 to 60 per cent. He justified this decision, which had entirely escaped the forecasts, by "the continued prevalence of temporary conditions occasioned by the war, or arising out of the war, creating a condition of scarcity hardly distinguishable in effect from monopoly, which is giving capital engaged in industry wholly abnormal and often extravagant profits." At the same time he offered to leave the duty at its old figure if Parliament should see their way, after hearing the report of their Select Committee, to impose a special levy on war wealth. Mr. Chamberlain's final proposal to levy a new shilling "Corporation Tax" on the profits of limited liability companies passed almost unnoticed after this 60 per cent. Excess Profits Duty, to which it is a minor corollary. The total additional ultimate yield from these two sources he estimated at £100,000,000 and £35,000,000 respectively. For the current year he was content to look forward to an additional revenue from all sources of £76,650,000, and claimed that after such a war, and such gigantic financial sacrifices, the capacity to produce it was proof of "a position of unexampled and unequalled strength."

By the great body of tax-payers the Budget has been received with resignation, even with satisfaction that there has been no increase in income tax or super tax. But the

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retention, and, still more, the increase, of the Excess Profits Tax has called forth very hostile criticism from the industrial and trading community. This hostility is very natural. It might have reasonably been supposed from Mr. Chamberlain's Budget speech last year that this tax would in all probability disappear; no one would have expected it would actually be increased. It is probable, therefore, that many plans of development have been laid on the assumption of its disappearance, which have now been seriously upset. Moreover, everyone, including the Chancellor of the Exchequer himself, is agreed that the Excess Profits Tax is a thoroughly bad tax. At its new level it almost prohibits new developments. It works against economy and in favour of high prices, and, being based on a pre-war standard, becomes more and more obsolete as time goes on. The sooner, therefore, that it disappears and is replaced by some better tax the better for the whole community.

But by what other tax? That is just the question which Mr. Chamberlain's critics have not clearly answered. With taxation at the height it is now, every increase in any direction is not only odious, but can be shown to have very serious results. They shrink therefore from any definite and practical alternative. A considerable increase in the new corporation tax is suggested by some. But, if it were raised to the figure which would be necessary, this tax also would be open to very serious objections. Similarly with an increase in the income tax. Indeed, direct taxation is now reaching a level which will shortly render any large taking of risks in industry, finance or commerce hardly worth while. As matters stand, many businesses may have to pay 15s. in the £1 in taxation, and if, as the flowing tide of activity begins to recede, the chances of losses become greater than of profits, why should these enterprises be carried on at all? It is a question, and one which is also seriously being considered in other countries, whether direct taxation has not now become disproportionate to

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indirect, and whether, if more money must be raised, it should not be by taxes on consumption of one kind and another.

On the main point, that the Government needs all the money it can get, Mr. Chamberlain is certainly right. His first duty is, of course, to reduce Government expenditure to the lowest possible limit. The country cannot afford budgets of £1,200,000,000 a year. It is imperative that the great departments which wish to launch out in all kinds of perhaps desirable but certainly extravagant expenditure should be checked. Our first need is to bring stability to our financial structure. Important as are great schemes of housing, transport and other developments, this is still more fundamental and important. The process of inflation is not yet checked. Wages are still going up ; prices are hardly checked ; currency is still increasing, and the Government has recently been forced to add to the credit inflation by borrowing large sums by Ways and Means advances from the Bank of England. The strenuous efforts, therefore, which have been made by the Treasury to bring inflation to an end have not yet been successful. Meanwhile, the Government have been forced to raise the Treasury Bill rate to $6\frac{1}{2}$ per cent., and the Bank of England has followed by raising its rate to 7 per cent. City opinion has for long been, and is still, divided as to the desirability of such high money rates. In our view, however, there can be no question but that they are necessary, serious as, no doubt, is their effect. The demands of industry on the banks are becoming too heavy. The endless chain of rising wages, rising prices, increasing currency, Government borrowing on Ways and Means, and greater demands on the banks, must be broken somewhere. Though it may be effective only over a period of time, a rise in the bank rate is the natural remedy.

But if the demands of industry on capital are to be checked by this means, the Government must check its own demands equally. It is useless to curb private industry,

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if Government expenditure on all kinds of schemes involving a call on capital and labour is to run riot. The fundamental fact is that we are now feeling the loss of capital due to the war. High rates are needed to divert capital to those channels which are most profitable and where it is most needed. There is not enough to go round for everyone. If money rates are kept low it can only be by further inflation, and a further rise in prices.

Government economy, as well as the drastic taxation to which we have now to submit, is equally necessary to deal with the great Floating Debt of over £1,000,000,000 of Treasury Bills, which is a constant menace to all schemes of checking inflation. It is imperative that it should be gradually reduced either by taxation or some scheme of funding, and it is on this ground that Mr. Chamberlain's retention and increase of the Excess Profits Tax must be justified. He has now supplemented the surplus of revenue he will have available for the reduction of the Floating Debt by a special issue of 5-15 year Treasury Bonds, the proceeds of which will be devoted solely to the same purpose.

There is no easy escape from our present financial difficulties. We want neither inflation nor great deflation, but stability. Further inflation must be stopped, but great and sudden deflation, leading to a great collapse in prices and a cessation of production, would be equally fatal.

The true cure for our troubles is an increase of production over consumption. But production cannot be increased at will by merely increasing credit; until we have made good our losses it will be hindered by our reduced capital.

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III. LABOUR

LABOUR has been restless this spring. It is seldom otherwise nowadays. Day after day brings its announcement of a threatened strike in one industry or a crisis in another, and the man who gets his news from newspaper headlines must be pardoned if he has sunk into a settled despair. Yet, for all the ferment and forebodings, few people really believe that the country is drifting to ruin, or that British labour is at bottom anything but British in instincts, habits, and ultimate aims. Nothing has happened in the last three months to shake the conviction expressed in the last issue of *THE ROUND TABLE* that the British labour movement, both on its political and on its industrial side, is dominated by good sense, influenced by a deepening feeling of responsibility, and merely diverted by the antics of its Bolshevist irresponsibles.

The salient events in the labour world since our last number went to press are these :

(1) The "direct action" danger has been scotched. By a decisive majority, in defiance of the call of the miners, the Trades Union Congress decided to continue to rely on ordinary methods of political agitation in order to secure the nationalisation of the coal mines.

(2) The miners obtained, by negotiation with the Government, a substantial increase in wages. They had demanded more than they were offered, but by a narrow majority on a ballot-vote they accepted the Government's terms.

(3) The dockers submitted their demand for a national minimum wage of 16s. a day to the ordeal of a public inquiry by an industrial court representative of dockers, dock owners, and the public. The majority of the court found their claim substantiated, and the employers accepted the finding.

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(4) The railwaymen put forward demands for big increases in wages. The new machinery for dealing with railway industrial questions was brought into play. The Central Wages Board, consisting solely of railwaymen and managers, failed to agree, and the application was referred to the National Board, on which the public is represented. Pending this Board's decision, the railwaymen are pledged not to strike.

It will be noticed that the Triple Alliance of miners, transport workers and railwaymen continued to play a prominent part in labour affairs. Increasingly this three-cornered organisation tends to act as the spear-head of the labour movement. It has certain internal weaknesses of which the public is not allowed to learn much, but it derives, alike from the number of its adherents and from the forcefulness of its leaders, a driving power which is half envied and half resented by the smaller or less coherent sections of the labour forces. Lately its general staff has decided that the time has come for embarking on an ill-defined operation known as "breaking the vicious circle." The intelligence officers of the Alliance report with monotonous regularity that every increase in wages, demanded and conceded as a counterpoise to an increase in the cost of living, is promptly followed by an advance in prices at least proportionate to the advance in wages. The Alliance has made up its mind that this see-saw process must stop. How it is to end is another matter. In the meantime the railwaymen show no signs of pausing in their particular wage campaign. Nor do the scores of other groups which are clamouring for higher wages give any indication of a readiness to call a halt. Miners, dockers, railwaymen, and the rest are, as Mr. Frank Hodges (the Miners' Secretary) said on March 11, "swimming in the vortex—wages, wages, wages." The swirl of wages and prices will probably continue until a point is reached—perhaps next year—at which international competition will compel a reduction of prices. There will come then a demand from the employers

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for a reduction in wages, and then only will begin the really critical test of the sanity and sobriety of British labour. How it will emerge from the trial no one can foretell. All that can be said is that so far it has escaped the fevers which have swept some of the Continental countries, and has done nothing to destroy confidence in its native reasonableness.

The four outstanding events already mentioned may be given a brief study. The decision of the Trades Union Congress to reject "direct action" was not unexpected, but it was none the less important; and its significance was heightened by the fact that the House of Commons had already repudiated the policy of nationalisation by an overwhelming majority. The miners themselves were sharply divided on the question, for it was only by 524,000 votes to 346,000 that they decided to vote in the Congress for a general strike. The votes of the Congress are worth recording. They gave a majority of 2,820,000 on a total vote of 4,920,000 against a general strike, and a majority of 2,717,000 on a vote of 4,747,000 for continued reliance on ordinary methods of political propaganda. It is not necessary to search far for an explanation. A year ago labour was in an ugly mood, and might have taken impulsive action without thought of its consequences. In March, when the special Congress met, the reaction of war excitement and Russian incitement had perceptibly weakened, and labour was not prepared to take wild plunges into deep waters. Trades Union Congresses, of course, are apt to disregard the overrated virtue of consistency, and "direct action" may conceivably be approved by some future Congress. So far, happily, there is no sign of backsliding.

The miners, beaten at the Congress, lost no time in selecting another line of attack. Within 24 hours of the refusal of trade unionism to declare a general strike for nationalisation, the miners announced their determination to demand an addition of 3s. a shift to their wages. They carried their claim to Downing Street, and were told by the

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Prime Minister that it would "knock the whole wage system of the country endways." Four days later the Government offered to meet the demand half-way. The miners rejected the offer and decided to take a strike ballot. The Government promptly made an amended offer, meeting the miners two-thirds of the way. A day or two later a third offer was made; it amounted, roughly, to an advance of 20 per cent. on present earnings, with a minimum of 2s. a day. The miners took a ballot on it, and the result, announced about the middle of April, was : For acceptance, 442,704 ; against, 377,569. The £30,000,000 or more a year which was added to their wages was some compensation to the miners for their defeat on "direct action."

The achievement of the dockers in winning their national minimum of 16s. a day was in marked contrast to that of the miners. The dockers from first to last uttered no threat. They agreed with their employers to ask for a public inquiry into their demand, and the ability of the water transport industry to bear the charge. The inquiry was held under the presidency of Lord Shaw. The case on both sides was argued with great skill and heard with great patience. When the judgment of the court was announced, on March 31, it was found that the majority of the court were in favour of the establishment of the minimum wage demanded by the workmen, coupled with schemes for the mitigation of the evil of casual labour in the docks, on the understanding that steps would be taken to reduce bad time-keeping and other forms of "slacking" on the dockers' part to the lowest possible level. Direct negotiations between the parties followed, and within a few days it was announced that an agreement had been reached for the putting into effect of the recommendations of the court. The incident from beginning to end reflects great credit on both employers and workpeople, and, incidentally, it demonstrates the utility to all parties of the public investigation of industrial grievances and economic problems. Had the dockers chosen to follow the

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ordinary strike tactics, the public would have suffered grave hardship, and the workers would not have secured anything like the full amount of their demand.

Finally, attention may be drawn to the railwaymen's wage demands. In January a new scheme for the regrading of railwaymen and standardisation of wages was accepted in outline by the National Union of Railwaymen, but only by a very small majority. The scheme provided for the readjustment of wages periodically according to the current index figures of the cost of living, and to this the railwaymen took special exception. Early in April, new wage claims came before the Central Wages Board, composed as described above. The Board decided that the locomotive men (whose wages had been stationary since August, 1919) were entitled to an advance of 3s. a week, and the rest of the traffic grades to 1s.; but they agreed to reconsider the situation in May, when the effects of the removal of the bread subsidy on the cost-of-living figure was known. In the meantime, however, the majority of the railwaymen, who were not too generously treated in the January settlement, had seen the miners and the dockers win advances in wages beside which the offer of 3s. or 1s. a week was ridiculous, and accordingly they presented new claims. The National Union of Railwaymen applied for an all-round increase of £1 a week. The Associated Society of Locomotive Engineers and Firemen claimed advances which ranged from 27s. a week for drivers to 15s. for cleaners. The Central Board was unable to agree on these claims, and they were referred to the National Wages Board as an appellate tribunal. By the terms of agreement for the setting up of this new machinery, the railwaymen undertook not to strike until one month after a question in dispute had been submitted to the National Board. Certain sections of railwaymen have ignored this obligation by declaring an unofficial "work to rule" strike, but the majority up to the time of writing have remained steady. Here, as in the case of the dockers' inquiry, a new

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mechanism for the avoidance of industrial conflict in a vital public service is undergoing test. No man can say what the result will be. But again it can be said with justification that, had this machinery not existed, the country would before this have been confronted with a railway strike at least as formidable as that of last autumn.

IV. THE SITUATION IN IRELAND

THE situation in Ireland is evidently drifting to a crisis. Since the issue of the last number political crime has been steadily on the increase. The extreme Sinn Fein wing are now acting definitely on the principle that they are an army at war with Great Britain, and that attacks on policemen and officials are simply outpost affairs where killing is no murder. And that their organisation is extremely good is proved by the fact that about 200 police stations, mostly, it is true, only single houses in a street, were destroyed by concerted action in a single night. In recent weeks two new aspects of lawlessness have made their appearance. Agrarian outrage has reappeared, whereby landlords and large farmers are forced to surrender their holdings under mob intimidation; and the extreme labour organisations have begun to act by proclaiming boycotts on their own. There seems to be little doubt that under the pressure of the violent and unreasoning propaganda of the last year the spirit as well as the structure of social order is rapidly crumbling away.

In consequence, Ireland is terrorised as it has never been in its previous history. It is difficult to say how far the extreme policy of Sinn Fein secures the sympathy of the general population, but it is certain that nobody dares to come out against it, and that the Irish Republican Brotherhood, which is the secret organisation of the extremists, which arranges for the murders, is practically paramount in all that sphere of Irish affairs which falls outside the direct control of the Government.

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While Southern Ireland is thus suffering under a double reign of terror, one military and the other Sinn Fein, the Protestant portions of Ulster are peaceful and prosperous. In the last few weeks, however, a strong agitation has grown up demanding that the three Ulster provinces, Donegal, Monaghan and Cavan, included with Ireland under the new Home Rule Bill, should be brought under the Ulster Parliament.

The policy of the Government for dealing with this situation seems to be twofold. On the one hand, it is doing all it can to destroy the organisation which murders policemen and officials, terrorises moderate opinion into silence and inactivity, and is now rapidly extending its activities to the agrarian and economic field. On the other hand, it is pushing ahead with the Home Rule Bill in the belief that it will be acceptable to moderate Irish opinion, when once the power of the terrorist Sinn Fein organisation has been broken. In pursuit of this first aspect of this policy, as it is impossible to obtain either evidence or convictions against those accused of murder, the Government has resorted to the arrest and deportation of those suspected of complicity in these crimes on a large scale. This policy, which probably led to the arrest of a number of relatively innocent people, provoked a great outcry in Ireland, which found some echoes in Great Britain. Things came to a head in a hunger strike in Mountjoy Prison about the middle of April, when 89 prisoners went on hunger strike as a protest against detention in prison without trial. There is some reason to doubt whether the hunger strike was as sincere as it appeared to be, but at the moment when it was said that most of them had but a few hours to live, and when a general strike was proclaimed in Ireland, and the general feeling of the population had been wrought up to an extreme pitch of excitement, the Government released the hunger strikers on parole and sent them to nursing homes for attendance.

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Immediately before this a change had been made in the personnel of the Irish Government. Sir Hamar Greenwood, a Canadian Liberal, was appointed Chief Secretary, and Sir Nevil Macready, a distinguished military officer who had achieved great success in combating the London police strike and in reorganising the London Metropolitan Police, was appointed commander-in-chief, with instructions to revise the administration. The new Government in Ireland has not, as yet, shown its hand.

The second aspect of the Government's policy has been mainly concerned with the Second Reading debate on the Home Rule Bill, which took place immediately before Easter. There is no doubt that the Government speakers had the best of the debate. The Bill was opposed by the Labour Party and Mr. Asquith, as well as by the scanty Irish Nationalist group. They objected to it on various grounds, but seemed to be unable to produce any alternative scheme which seemed to have as good a chance of dealing with the facts of the case. The Bill itself was finally passed on second reading by a majority of 254. It appears to have commended itself to the House of Commons on two broad grounds: in the first place, because it was based upon a recognition of the three fundamental facts of the Irish Parliament, namely, that Southern Ireland would no longer tolerate British rule; that Protestant Ulster would not in any circumstances accept Dublin rule; and that Great Britain could not agree to the secession of Ireland from the British Empire: in the second place, because it provided the means whereby the people of North and South Ireland could themselves, without further reference to Great Britain, achieve the unity of Ireland on practically any terms short of separation from Great Britain on which they could agree.

The present situation clearly cannot last. There is a suppressed state of civil war in Ireland, in which the social order is rapidly dissolving. Either the Government must suppress the armed conspiracy against law and the Union,

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and so let moderation and reason and conciliation once more have a chance to bring about a settlement on constitutional lines, or it ought to surrender and make the best terms it can with the victors. Nothing could be worse than to allow these present disorders to continue indefinitely. We have no doubt that the first is the right course, and that the first step towards settlement is the re-establishment of the law by the punishment of murder and assassination as they deserve.

There is much evidence that both moderate Sinn Fein leaders and the Roman Catholic hierarchy are seriously alarmed as to whether they have not raised a monster which is now passing rapidly out of their control. As we said in our last article, the new Home Rule Bill is an attempt to solve the Irish question by moderation and reason. If the moderate and reasonable men could recover authority in the South of Ireland, the Bill would undoubtedly enable them to secure within a comparatively short space of time a settlement which would satisfy both Nationalist Ireland and Ulster, and would be acceptable to Great Britain also. But Ireland to-day is not moderate; extreme views dominate it from one end to the other. Reason and conciliation hardly have a chance, and every outward sign still points to the absolute rejection by the South of the proposed Bill, and to an irreconcilable reaffirmation of the policy of refusing to consider any settlement short of the establishment of an independent republic for the whole of Ireland. The fundamental trouble would seem to be that Ireland is now in the grip of an irreconcilable organisation largely financed and supported from abroad, which is concerned not so much with the well-being of the Irish people as with hatred of England. Its policy is to demand impossibilities and to repress and terrorise all who advocate counsels of reason and moderation in the hope of forcing or frightening Great Britain into a policy which would ultimately lead to the destruction of the British Commonwealth. The situation, indeed, is not unlike that which

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preceded the American Civil War, when the extremists of the South were prepared to break away from the Union rather than moderate their extreme views about the extension of slavery to the West. Similarly in Ireland, the extremists are willing to advocate war rather than moderate their extreme republican nationalism to the point where, while achieving self-government, they can yet live on friendly and co-operative terms with Ulster and Great Britain.

That being so, the only course compatible with the future of the Empire and with a solution of the problem itself is to follow the example of Abraham Lincoln, take up the challenge, and employ all the resources of the State to suppress murder and crime and so make it possible for reasonable men of good will once more to play their part.

London. May, 1920.

CANADA

I. BY-ELECTIONS AND PARTY PROSPECTS

THUS far the session of Parliament has been uneventful and comparatively uninteresting. There was nothing in the debate on the address which greatly attracted the country, except the speech of Sir Thomas White in defence of the general policy and achievements of the Government, urging the necessity of moderate protectionist duties, and suggesting consolidation of the Unionists as "the National Liberal Conservative Party." It has become manifest that the Conservatives, who constitute the bulk of the Government's support, will not have themselves designated as "Unionists," while for Liberals "National Liberal Conservative" has a striking likeness to the name which Conservatives have carried since Confederation. The speech of Sir Thomas White, however, commands the general, if not the unanimous support, of both wings of the Coalition; and, whatever name the party may adopt, the programme will not differ materially from that which he has outlined.

There is still no good reason to think that White will consent to become leader of the party, and undoubtedly Mr. Arthur Meighen commands increasing support in Parliament and in the country. It is expected that Sir Robert Borden, who is now resting in the South, will return to Ottawa towards the end of May, but there is still no assurance that he will be able to resume the active leadership of the Ministerialists. Indeed, the conviction

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of those who have the best knowledge of his condition is that he will never again be equal to any active or continuous participation in public affairs. He will, however, assist in settling the programme of the Coalition, and, no doubt, in the choice of a or success his advice will be influential.

There is still no evidence that the Government gains strength in the country. Nor are the prospects of the Liberal Party improving as its leaders might desire. In two by-elections in Quebec the Liberal candidates were successful. Indeed in Kamouraska, which seat Mr. Ernest Lapointe resigned in order to take the constituency which Sir Wilfrid Laurier represented for a generation, the Liberal candidate was not opposed, while in the St. James division of Montreal no Coalitionist appeared, and the contest was between a Liberal and a Labour candidate. In Timiskaming, in Northern Ontario, where the late Mr. Frank Cochrane was returned in the General Election as a Coalitionist by over 2,000 majority, and where both Coalition and Liberal candidates received the active and energetic support of the official agents and spokesmen of their respective parties, a Labour candidate, assisted by the United Farmers, carried the constituency with a greater majority than Mr. Cochrane secured. The tide still runs with the Farmers and Labour, and few believe that the Government could now survive a General Election. It is clear, however, that the Coalition does not contemplate an appeal to the country. The word from Ottawa is that there will be no dissolution of Parliament until 1923. On Mr. Mackenzie King's amendment to the address, demanding a General Election, the Government had a majority of 34, and, notwithstanding losses in by-elections, it is unlikely that the majority will fall below thirty. Manifestly the Coalition has resolved to hold together until public feeling becomes more settled and an organisation of the constituencies can be effected.

It is argued that the Government has no mandate to continue in office, but it is not easy to think that there is

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much validity in the contention. There was no pledge to the country that the Coalition Cabinet was to last only until peace was restored. Its programme was not confined to war problems. Sir Robert Borden's manifesto covered definite measures of reconstruction, legislation and administration. The Government, therefore, is under no constitutional obligation to dissolve so long as it commands a majority in Parliament. It is doubtful, too, if the Liberal Party is so eager for a General Election. The United Farmers are making greater headway than either the Coalition or the Liberal Party, and if Parliament were dissolved to-day it is impossible to doubt that the Farmers and Labour would constitute the stronger group in the new House of Commons. Possibly they could not be combined as a single group, but it is significant that the Independent Labour Party of Ontario has declared for a radical reduction of tariff; and one feels that if the Farmers and Labour could carry a majority of the constituencies they would find a basis of Parliamentary co-operation. If a coalition of Farmers and Liberals should become necessary, probably Mr. Crerar, Parliamentary leader of the Farmers, rather than Mr. King, would become Prime Minister. This is not a reflection upon Mr. King, for by general agreement he is leading the Liberal Party with tact, discretion and resource. So Sir George Foster is leading the Coalition with a temper, prudence and courage which enhance even his great reputation and prestige. If the Coalition has two years in which to educate the people and to organise the constituencies, all present calculations of the strength of parties in the next Parliament may prove utterly fallacious.

In the by-election in the St. James division of Montreal there was the familiar appeal to the electors to have no dealing with Sir Robert Borden and the Unionists. It was suggested over and over again that this was the essential condition of loyalty to the memory of Sir Wilfrid Laurier and to the sentiment and interest of Quebec. Nothing

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could be more unfortunate than that the racial cleavage should continue, but if the fact is stated there is no intention to lecture Quebec or to assess the responsibility for a distressing situation upon one party or the other. During the contest in St. James, Mr. Lapointe, who is now the recognised leader of the French Liberals, declared that the "conspiracy against Quebec," which had seemed to abate lately, showed signs of revival, and he appealed to all elements in the Province to "gather round one ideal and one party, to stick together, to put up a bold and serene front, and to stave off attacks or attempts that might be made against the oldest Province of Confederation." In reply *The Winnipeg Free Press*, undoubtedly one of the most influential organs of opinion in Canada, speaks without reserve:—

"This is in general harmony," it says, "with the provocative language which has been used in Parliament this session by Mr. Gauthier, Mr. Trahan and Senator Dandurand; and with the crusade which goes on unceasingly in the Quebec Press. These references to the 'conspiracy against Quebec,' and to the necessity of maintaining a 'solid block' for purposes of revenge and of defence, sound like wild and foolish utterances to the people of the other Provinces. They do not know what Mr. Lapointe and his lieutenants are talking about. They know that in 1917 Quebec differed violently from the rest of Canada as to the character and extent of Canada's further participation in the war; and being in the minority had to submit to the will of the majority, as is the rule in all democracies. If Quebec was isolated as the result of that conflict, she isolated herself. The proclaimed grievance and talk of revenge indicate a conviction on the part of those who indulge in these expressions that Quebec has a right, in the last analysis, to impose her will upon the whole Dominion; and that any denial of this right constitutes a 'conspiracy' against that Province. We are afraid that the people of the other Provinces, however desirous they may be of friendly co-operation with the people of Quebec with a view of forgetting some of the ancient griefs, cannot subscribe to any such doctrine. In the controversies over the war, Quebec was mostly wrong. Perhaps it would be wise, in the interests of national harmony, to begin to forgo the unpleasant memories of those days; but this is not possible if Mr. Lapointe, Mr. Rinfret and other enterprising politicians deliberately keep the bitterness alive in the interests of the political party with which they are connected."

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So far as one can see, there are few "signs of revival" such as Mr. Lapointe describes. There are, however, from time to time utterances by newspapers and public speakers in other Provinces which Quebec could only be expected to resent. But they are not numerous, and they do not express any general feeling among English-speaking people.

II. LORD JELlicOE'S NAVAL PROPOSALS

EVEN extreme autonomists admit that in Lord Jellicoe's naval proposals there is adequate recognition of Canadian national sentiment. The report suggests four alternative naval units, ranging in annual cost for construction and maintenance from \$25,000,000 to \$5,000,000. The first fleet, to cost \$25,000,000, would contain 2 battle cruisers, 7 light cruisers, 1 flotilla leader, 1 destroyer parent ship, 16 submarines, 1 submarine parent ship, 2 aircraft carriers, 4 fleet mine-sweepers, 4 local defence destroyers, 8 "P" boats, and 4 trawler mine-sweepers. The second, to cost \$17,500,000, would embrace 1 battle cruiser, 5 light cruisers, 1 flotilla leader, 6 destroyers, 1 destroyer parent ship, 1 aircraft carrier, 8 submarines, 1 submarine parent ship, 2 fleet mine-sweepers, 4 local defence destroyers, 8 "P" boats, and 4 trawler mine-sweepers. In the third fleet, to cost \$10,000,000, there would be 3 light cruisers, 1 flotilla leader, 8 submarines, 1 submarine parent ship, 4 local defence destroyers, 8 "P" boats, and 4 trawler mine-sweepers; and in the fourth unit, to cost \$5,000,000, there would be 8 submarines, 4 local defence destroyers, 8 "P" boats, and 4 trawler mine-sweepers.

It is suggested that Canada should consider naval defence, firstly, from the standpoint of her own safety; and, secondly, from the broader standpoint of the safety and security of the Empire. For the protection of the ports and commerce of the Dominion it is said that 3 light

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cruisers, 1 flotilla leader, 12 torpedo craft, 8 submarines with 1 parent ship, and certain auxiliary small craft for training purposes are required. Lord Jellicoe also emphasises the necessity for aircraft as complementary to an effective navy. He holds, too, that there should be the closest relationship between the Canadian Navy and the Royal Navy, that the ships should be of similar types, and the personnel actuated by common motives, subjected to common training, and imbued with common traditions. He urges the importance of a uniform system of service common to all the navies of the Empire, and adds :—

Whilst in war the general plan of campaign must necessarily be directed from one central authority, it may still be desirable to depute local authority to carry out part of the plan, especially that part dealing with operations in far distant waters, on account of the delays involved in communicating intelligence and instructions. This will necessitate an efficient staff organisation at Dominion headquarters. Intelligent co-operation in this respect can only be acquired by uniform principles of command and staff work, and a common understanding of tactical and strategical requirements. For this reason it is desirable that Canadian staff officers should receive their training at the Naval Staff College at Greenwich, in conjunction with the officers of the Royal Navy and the other Dominions.

It is advised that the fleet be administered by a Minister and a Naval Board, subject, as other departments of government, to the Canadian Parliament ; and therefore it will be seen that Lord Jellicoe definitely recommends a Canadian Navy, but urges an intimate relation with the Royal Navy and such training and organisation of the fleet of the Dominion as will ensure the most effective co-operation for the common defence of the Empire. It is understood that the Unionist caucus was not very favourable to the immediate assumption of any great obligation for naval defence. It was contended that the war had laid a huge burden upon the Canadian people, that still further expenditures would probably have to be assumed in connection with the re-establishment of soldiers, and

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that until the future naval programmes of Great Britain and other countries were more definitely settled Canada would be unwise to sanction heavy naval appropriations. There is reason to believe that the fourth proposal of Lord Jellicoe, involving an annual cost of \$4,500,000 or \$5,000,000, will be submitted for the approval of Parliament, and that the British offer of vessels to constitute the nucleus of the Canadian fleet will be accepted. Thus there will be no immediate capital outlay, but from the first a personnel of 1,500 officers and seamen will be required. In the meantime the naval service will be demobilised and a complete reorganisation effected. In this connection there are whispers that the service is overmanned, and that as far as practicable British officers will be replaced by Canadians, or, at least, the Canadians now in the Imperial Navy will have a preference in Canada.

Naturally the Liberal Press and the leaders of the party contend that Lord Jellicoe's proposals condemn the Borden naval programme. It has to be remembered, however, that the Borden project was designed to meet an emergency, and it was even provided that the Dreadnoughts to be added to the Royal Navy should be subject to recall if the final decision of Canada should be in favour of a Canadian Navy. The truth is that the naval controversy was not creditable to either political party. The Laurier proposals were grossly misrepresented by the Nationalists of Quebec, and resisted in sheer partisan obstinacy and malignity by a wing of the Conservative Party. In turn, and with amazing partisan ferocity, the Liberals and Nationalists opposed and defeated the Borden programme. It is manifest that the attitude of Quebec is unchanged. Perhaps that could be said with equal truth of the Liberal Party; but *The Globe*, of Toronto, is not less favourable than *The Mail and Empire* to the Jellicoe proposals. In Parliament there seemed to be no substantial differences between the Unionists and Mr. King, leader of the Liberal Party. But it is too much to expect that the Liberal

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representation from the Province of Quebec will be a unit in support of naval appropriations. *Le Soleil*, organ of the Liberal Party for the Quebec district, expresses the hope that Lord Jellicoe will not be disturbed by its candour when it tells him that none of his plans for a Canadian Navy are acceptable.

"None of the projects," it says, "appeal to us, and they should be thrown into the waste-paper basket. For what reason? Because, firstly, Canada has not the money to spend millions on the building of a navy; secondly, the navy is not necessary; and, thirdly, the British fleet, increased by millions of tons during the last few months, is sufficient for any task that may be assigned to it. Canada has not the financial resources to undertake the construction of ships of war, to furnish them and to send them abroad in order to keep in idleness young fellows who would be of more use elsewhere, and it is only those whom jingoism blinds who could imagine that she could."

Le Soleil offers *The Manchester Guardian* as authority for the statement that there is now no conceivable emergency with which the British Navy is not amply adequate to cope, and asks: "Where is the danger, then, since Lord Jellicoe himself realises that Germany is no longer to be feared? Would it be along the coast of Japan? The United States has less fear of this than China. We see nothing else than the detestable designs of conquest which are nurtured by the Imperialistic clique." It insists that the British Fleet is proportionately stronger than it has ever been before, and that there is, therefore, less cause for anxiety; and it asks: "What is the reason for the coolness that exists at this very day between France and England if it is not that England has been assiduous in securing the lion's share in the division of the German tonnage." So *Le Soleil* concludes that "His Majesty's Navy ought not to be in such straits that it must appeal to Canada to contribute to its increase," and "poor Canada, which has so much to do at home," is urged not to think of the fanatics "who are out to enmesh her in such an adventure." She is advised to let it be known that she cannot, does not wish

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to, and ought not to accept any of the schemes of Lord Jellicoe. "None of them at all."

La Presse says: "Thank you, Lord Jellicoe; no!" It argues that the finances of the country will not permit us to promenade in either the one or the other of the four projected "galleys," and that it is not incumbent on a Government whose mandate of war long since expired to come to any decision on a new question of such vital importance to the nation. "The duty of the Administration, if it really intends to adopt any attitude at all in relation to Lord Jellicoe's report, is first to consult the Canadian population in a General Election."

La Patrie also insists that the Government has no mandate to decide what shall be the naval policy of Canada.

"As far," it says, "as we can judge, public sentiment which has found expression since Lord Jellicoe's visit, the people, exhausted by the sacrifices they have made during the war, little care for the prospect of spending millions annually on useless armaments. They will prefer to develop a mercantile marine which will contribute to the expansion of our foreign commerce and the benefits of which will appreciably aid in extinguishing the heavy load of debt resting on our shoulders."

Le Devoir, organ of Mr. Henri Bourassa and the Quebec Nationalists, warns the country against acceptance of the principle of an Imperial Navy, and fears that opponents may be disarmed by generous concessions over expenditure, "with freedom to take back the concessions later." It suggests that:—

Those who are in favour, above all else, of binding Canada to a policy of permanent co-operation in the naval defence of the Empire as a whole will concentrate themselves much more on an acceptance of the principle of the project rather than upon the assignment of a determined sum of money. They know that when the principle is once adopted, the money will follow one day or another, and in proportions which the "Colonials" at the present time have no idea of. Hence, it is the question of principle which must be carefully watched.

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Le Canada, whose editor has just been elected to the House of Commons, points out that the work of national reconstruction on a peace basis has just begun, that neither Canada nor the Empire is menaced, that the time is ill-chosen to raise the naval question, and that "if ever Canada has to face it and find a solution, the better course will be to construct a Canadian Navy." Alone among the French journals, *L'Événement*, the old and staunch Conservative organ of the Quebec district, reserves judgment, but frankly admits the obligation of Canada to co-operate in the common defence of the Empire.

The principle at stake (says *L'Événement*) is very much greater than the question of money. There is already a Navy Act on the statutes, as voted by the Laurier Government in 1910. That, however, remains a dead letter because of differences of opinion and general hostility. Are we to return now to that policy? For our part we are willing to wait until the matter has been discussed by experts and the members of the Government before pronouncing a decided opinion. Like the majority of our compatriots, we were, in 1910, hostile to a programme of naval construction. But tragic events since then have taught us a great deal, and we realise now how easy it is to upset the equilibrium of the world and how difficult it is to re-establish peace and order. In the meantime, and before coming to any settled opinion, let us attach to the question all the importance it deserves, and consider it from the Canadian point of view first, and then from the point of view of our relations with the Mother Country and the other parts of the British Empire.

The Toronto World takes the curious position that Canada cannot afford to accept vessels from Great Britain. It suggests that if it is wrong for Canada to make contributions to the British Navy, it cannot be right for Britain to make contributions to the Canadian Navy. "Vast moral and patriotic issues are involved in the sacrifice of a Government's financial independence." *The World* argues that the Admiralty persists in under-estimating the strength of Canadian national sentiment, that if we cannot pay for our own Navy we must accept an inferior status in the League of Nations; and that once it can be said that what

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Canada has in a navy Britain pays for, "we would be back to the colonial status." It is, perhaps, not surprising that this view seems to be held by *The World* alone. *The Globe* believes that the vessels which Britain offers should be accepted, as they will be, and adds :—

To refuse them on the plea that Canada prefers to construct her own warships at a later period would be to commit the country to a plan of burdensome expenditures that would not commend itself to the mass of the people. Naval defence proposals have been too long a question of political discussion and action only. It is to be hoped that the Government will not slam the door on Britain's offer of ships without being able to give to the country convincing reasons for such an act.

The Globe thinks that "the idea of branching out into a great navy scheme would be repugnant to the people of this country," but, as has been shown, urges acquisition of the ships offered by the Admiralty and the organisation of an aerial defence system as auxiliary to the land and naval defence forces. "A combination of the two plans would seem to be within the means of a country of Canada's size and resources, strained as the latter are for the present with the necessity of meeting many war obligations." Apparently *The Globe* is in substantial agreement with the Government, to which, however, it has ceased to give any general support. *The Winnipeg Free Press* describes Lord Jellicoe's proposals as "the triumph of the policy of Dominion navies," and rejoices that "the rival conception of a single navy under central control, to which each Dominion should make a contribution in keeping with her resources, has suffered complete and final defeat." *The Farmers' Sun*, which is the chief and only recognised mouthpiece of the United Farmers of Ontario, absolutely and unreservedly opposes all naval projects. It declares that we are staggering under a debt of \$2,000,000,000,000; that we require \$400,000,000 annually to keep things going; and that an additional \$10,000,000 or \$25,000,000 for a navy would be a needless expenditure. In *The Sun's* view,

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if we mean to arm against the United States, we must provide not only an adequate navy, but a huge standing army. But it does not believe that there is danger from the United States or from elsewhere, or that we should build a fleet of warships "when every other nation in the world is curtailing."

It will thus be seen that there are still acute differences of opinion in Canada over naval policy. That Quebec remains irreconcilable is unfortunate. There is a strong and general feeling in Canada against any revival of sectarian or racial controversy. It is significant that the utterances of the French newspapers of Quebec have gone almost unnoticed in the English Provinces. But it is not only in Quebec that feeling against any heavy commitment for naval defence exists. Taxation is onerous, serious deficits in the annual accounts can hardly be avoided, the Government hesitates to sanction a new domestic loan, and cannot easily borrow abroad. Hence the general feeling is that new obligations may not be rashly assumed, and it seems to be certain that only a very modest appropriation for any naval project could receive the sanction of Parliament.

III. PROBLEMS AFFECTING IMPERIAL RELATIONS

THREE proposals affecting the constitutional status of Canada and its relation to Great Britain are engaging a great deal of attention throughout the country. The Farmer-Labour Government of Ontario is asking the Legislature to abolish appeals to the Imperial Privy Council. The Federal Government will submit a Bill to Parliament to define the status and duties of a representative of the Dominion at Washington. A conference of Federal and Provincial Ministers will consider a proposal to empower Canada to amend its Constitution without reference to the Imperial Parliament.

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The Bar generally is opposed to abolition or further restriction of appeals to the Privy Council. There are, however, even judges and lawyers who hold that the Supreme Court of Canada can never possess the respect and authority which should belong to the Federal tribunal so long as its judgments are subject to appeal to London. They contrast the great position which the Supreme Court holds in the United States and among the ultimate tribunals of other nations with the inferior distinction and lower reputation of the Supreme Court of Canada. With the public, however, the argument which has effect is that poorer litigants cannot afford to carry appeals to the Privy Council, and that, therefore, rich corporations and wealthy individuals have an advantage over litigants who cannot go beyond the courts of Canada. From time to time the laws have been amended to overcome this objection. It has been provided that cases in which only small amounts are involved shall not be subject to appeal, and that suitors may choose between the Supreme Court and the Privy Council as the ultimate tribunal. In certain cases, however, where an appeal is refused the Court at London, upon argument, may grant a hearing and reverse the judgment of the Court in Canada by which appeal was refused. There has also been a common opinion that, however general appeals might be restricted in constitutional cases, involving perhaps issues in dispute between the Dominion and the Provinces, it was desirable that final judgment should be rendered by the Imperial Privy Council. *The Toronto Mail and Empire* strongly opposes the proposal to be submitted to the Legislature, and contends that without ratification at Ottawa such legislation cannot be effective. It could at most, according to *The Mail and Empire*, only have the effect of requiring a litigant to take the Supreme Court of Canada by the way, for "if his appeal to that court is unsuccessful, no Ontario legislation can prevent his seeking a decision in the highest court of the Empire." It insists that in all British possessions there is the right

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of appeal to the King in Council, and that though an appeal may no longer be recognised as a matter of right, it may still be granted as a matter of grace.

Canada is a full-fledged nation, but that does not mean that we are to hasten to break links that bind Canada to the Empire. National independence is not understood by any of our public men as separation. The Crown is the great bond of union. Even if the six nations of the British Empire were each to become more self-centred, the Crown would remain in the constitution of all of them, and the rights of British subjects would remain to all the people under the British flag.

The Mail and Empire, however, suggests that jurists from the Dominions should have a larger part in deciding appeals from the Dominions, and that, with this in prospect, "To cut off the appeal from Ontario courts would be to bar the promotion of Ontario judges to seats on the bench of the highest court in the Empire." Possibly it would not be incorrect to say that in Ontario lay opinion is uninterested or favourable to limitation of appeals to the Privy Council and legal opinion generally opposed; while in Quebec, which regards the Privy Council as the natural protector of its "rights and privileges," the right of appeal to the "foot of the Throne" is highly valued, and would be relinquished with reluctance. Commenting on the Bill before the Legislature of Ontario, *The Montreal Gazette* says :—

Appeals to the Privy Council have not been popular in Ontario. The members are not liable to be influenced by local sentiment and apply the principles of law and justice without regard to the unpopularity or otherwise of commercial corporations concerned, or to what the newspapers have declared should be done. The abolition of appeals to the Judicial Committee has several times been discussed in Parliament, and limits have been put upon the right. No Parliamentary action has been taken to abolish it, however, partly because, singularly enough, of opposition from the Province of Quebec, and it is doubtful if Parliamentary action will be taken, at least, for a long time. Neither Parliament nor the Legislature of Ontario, moreover, can entirely take away the right of a Canadian

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litigant to seek justice "at the foot of the Throne." That right is inherent in a British subject, and if one presents a proper cause of complaint it will be considered and justice will be done.

The proposal before the Legislature of Ontario is likely to be adopted ; but, as *The Mail and Empire* has pointed out, the legislation will accomplish little unless Ottawa supports the action of the Province.

It is clear that any movement to take power to amend the Constitution without reference to the Imperial Parliament will be resented in Quebec. The French Press has taken alarm and is denouncing the proposal with characteristic vigour. The British North America Act provides that the Provinces may amend their own Constitution, except as regards the office and functions of Lieutenant-Governors, but that the Federal Constitution may be amended only by the Parliament of the United Kingdom upon a joint petition of the Senate and House of Commons of Canada. No such petition has been rejected or is likely to be rejected by the Imperial Parliament. Nor is there reason to think that the Imperial Parliament has desired or is anxious to retain any authority over the Constitution of Canada. The question was first raised by Mr. King, leader of the Liberal Party, in the debate on the Bulgarian Treaty. He suggested that it would be more in accord with the status of Canada as a self-governing nation if the Canadian Parliament had power to amend the Constitution "in such particulars as may be agreed upon as a result of conference between the Provincial and Federal authorities, and approved by this Parliament and the Legislatures of the different Provinces." Mr. Doherty, Minister of Justice, not only agreed with Mr. King, but stated that he had taken up the subject with the Attorneys-General of the Provinces. But although Mr. Doherty represents a Quebec constituency and Mr. King has the support of the bulk of the Quebec representation in the House of Commons, there is general protest in the French Province against rash interference with any of the safeguards embodied in the Constitution. Mr. Taschereau,

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Attorney-General for Quebec, declares that he could not consent to any amendment of the Constitution which would affect civil law, property and civil rights, education, language and religion, the powers of the Provinces over taxation, or the fixed representation of Quebec in Parliament by which the unit of representation for the other Provinces is determined. Mr. Martin, Premier of Saskatchewan, somewhat unexpectedly also questions the wisdom and doubts the necessity of relinquishing the method of changing the Constitution which the British North America Act provides. Since, he says, the Act has operated to the satisfaction of Canada, there is nothing substantial to be gained by changing the machinery now obtaining for its amendment, while "something might be lost by removing the ties which now bind Canada to the Parliament of the Mother Country."

La Presse, of Montreal, declares that "French Canadians, like all others, would like to see the Dominion free itself from the irksome guardianship of the Mother Country as regards matters which solely concern Canada, but at the same time they will insist that those articles of the Constitution which safeguard the rights of minorities in this country as regards religion, language and laws shall not be modified." *Le Soleil*, of Quebec, is not impressed by appeal to the example of Australia and New Zealand, where the population is almost homogeneous, and has the same usages and habits, the same laws and ideals. But the people of Quebec have their own language, their own faith, and their own laws, guaranteed by the Constitution, dearly bought, and not to be jeopardised. "We hope," it says, "that our country will continue to break the bonds which constrict its liberty of action, but we do not wish that the present bonds shall be replaced by chains that will rivet us to Imperialism and to navalism." *La Patrie* says that until it is clearly demonstrated that all the guarantees which the minorities now possess will be neither injured nor sacrificed we cannot see either opportuneness or utility in touching

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the Federal compact. It adds that "it is always dangerous to barter one's heritage for a mess of pottage." *Le Minerve* sees in the proposal "the testimony and the consecration of our Canadian autonomy"; but asks: "Having regard to all that concerns our religious and national rights, can we consent to such a reform?" *Le Canada* views the proposal with apprehension, and believes that "the Province of Quebec, which is granted certain rights by the British North America Act, both in the matter of religion and in the use and the teaching of French, ought to oppose with all the energy at its command an innovation the effect of which might be to change this condition of affairs which made the basis of our consent to enter Confederation."

Generally, the utterances of the English newspapers are in direct conflict with the position of Quebec. As was to be expected, *The Winnipeg Free Press* is outspoken and aggressive in its support of the proposal to vest power to amend the Constitution in the Parliament and Legislatures of Canada. It declares that "a vast majority of Canadians are resolute in their determination that Canada shall be henceforth a nation in name and in fact, and that they are not going to be deflected from their purpose by the fears, whims or prejudices of timid or reactionary elements in the population." It describes Mr. Martin, Premier of Saskatchewan, as "trembling with apprehension lest Canada should secure the power to amend her own Constitution." Mr. Fielding by implication it classes among the colonial reactionaries, and it sees "something ironic and humorous in the attitude of Quebec." *The Free Press* continues:—

Theoretically and nominally Quebec is a stronghold of national sentiment. It is twenty-three years since Sir Wilfrid Laurier proclaimed Canada's nationhood; and he consistently advocated a policy of Imperial relations which favoured the development which has now come to fruition. Because he preferred to proceed by cautious and orderly methods a large proportion of his followers in the Province of Quebec broke away from him and followed Mr. Bourassa, whose nationalism was of a more aggressive type. But

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Quebec, too, flinched at the prospect of Canadians securing the right to modify their own Constitution according to their needs. Quebec, for all her brave professions, would apparently accept in perpetuity a status of subordination in preference to self-government if the latter status involved any possibility of infringement through an amendment of the Constitution upon the very special privileges which that Province enjoys in Confederation. In Quebec, as elsewhere, the hard test of reality will separate the Canadians from the little Canadians.

The Free Press agrees that the privileges of minorities and the special rights of Provinces guaranteed by the Constitution must be protected by provisions which will make any modification of the Constitution affecting such rights and privileges contingent upon approval of the Provinces concerned, but it thinks that a two-thirds majority of the people in two-thirds of the Provinces expressed in a referendum should be adequate sanction for any changes in the Constitution which would not affect special rights and privileges. "But," it says, "the suggestion put out at Ottawa that any Provincial Legislature should be given power to veto every proposal to amend the Constitution is not tolerable. It would place the whole Dominion at the mercy of the most backward section." *The Free Press* argues, soundly enough, that the British North America Act requires revision, and that particularly some agreement between the Dominion and the Provinces defining the powers of Parliament and the Legislatures over direct taxation is required. It suggests a Constituent Assembly, at which the Constitution could be recast; but demands that in any event, and whatever method of revision may be adopted, Canada must "secure with the least possible delay the power enjoyed by every other country which can claim to be a nation to amend our Constitution in conformity with the desires of our own people and subject to no other form of control whatever."

The Toronto Globe argues only for power "to enable the Dominion Parliament and Provincial Legislatures by co-operative action to make amendments to the Constitution

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of Canada," and seems to agree that amendments can be made only with the sanction of all the Provinces. *The Toronto Mail and Empire* points out that the requirement of Imperial sanction for changes in the Canadian Constitution is not an "abridgment of our national rights," but was a necessary condition to the pact of Confederation. It emphasises the undoubted fact that if the scheme of Confederation had provided for amendment of the Constitution by the Parliament of the Dominion Quebec would not have come into the union.

It may be (adds *The Mail and Empire*) that Quebec has now more confidence in majority rule in the Dominion and might be willing to have the power of amending the Constitution, subject to Provincial sanction, vested in the Dominion Parliament. If so, we may be sure there will be no objection from Britain. At the present time any constitutional change upon which all the parties concerned are agreed can be passed through the British Parliament without the smallest opposition. The will of Canada and of the Provinces of Canada is the sole determining consideration with the British Parliament.

The Mail and Empire protests that there has been nothing in the history of the relations between Canada and the Mother Country to give the smallest excuse for the habit some public men and newspapers in Canada have fallen into of speaking as if everybody had to be on guard lest Downing Street should beguile us of some of our freedom.

Britain has put not a straw in the way of Canada's progress towards national independence. It is not Britain's fault if the amending of our Constitution is still a function of her Parliament. The power to change the Dominion Constitution could have been obtained by the Dominion Parliament long ago if it had been asked for by Parliament acting under orders of the Canadian people and with the sanction of the constituent Provinces of Canada. We may be sure Britain would have been as ready to concede this power to the oldest of her Dominions as she was to grant it long ago to those younger Dominions—the Commonwealth of Australia, the Dominion of New Zealand and the Union of South Africa.

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The Montreal Gazette believes that reflection and a better understanding of the proposal will cause much of the hostility in Quebec to disappear. It argues that all the rights and privileges retained by the Province under the Treaty of Confederation can be equally well secured and perpetuated by a Statute of the British Parliament conferring upon the Parliament of Canada power to amend its own Constitution, that there must be unanimous consent on the part of every Provincial Legislature, not of a mere majority, before any amendment can be effected; and that the British statute conferring right of amendment can be made as potent in protection of the minority, as valid in safeguarding Provincial rights, as is the British North America Act itself. It recognises that the Imperial Parliament is unlikely to oppose any constitutional amendment desired by the people of Canada, and that the proposal to give the Dominion power to amend its own Constitution would "eliminate circumlocution and substitute direct action for a measure of formality." All that can fairly be said is expressed in these few sentences. It is absurd to suggest that there is any Imperialistic objection to the proposal, that Downing Street is alarmed, or that the Imperial Parliament desires to retain authority over the Constitution of Canada. But, unfortunately, there are writers and politicians in the Dominion who will drag Downing Street into every controversy, and who in their visions by day and their dreams by night are disturbed by a school of Imperialists who have not walked the earth in the flesh for a century.

As yet the Bill defining the status of the Canadian Ambassador at Washington has not been introduced in Parliament. There is no doubt that the Government has had consultation alike with British Ministers and with the United States authorities. It is admittedly difficult to have two ambassadors from "equal nations" representing one Empire at Washington. Nor will it be easy for the representative of Canada to have full national status at

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Washington as an attaché of the British Embassy, or even as an ally of the British Ambassador. *The Toronto World*, if one may venture to offer another quotation, touches the situation with shrewd insight and pungent irony. It says, discussing a despatch from London professing to define the powers to be exercised by the Canadian representative at Washington and his relation to the British Minister :—

Will the Canadian representative be a Canadian representative with allegiance only to Canada, or will he be subordinate to the British Ambassador legally, owing his appointment to the authority which appoints his superior ? If he is under Sir Auckland Geddes, and if Canada pays his salary, will he in fact be the servant of London or the representative of Ottawa ? If, during the absence of the British Ambassador from Washington for three or six months some complication develops, say, in relation to the Hawaiian Islands or Canadian shipping in Panama, and the gentleman whom Canada pays but the British Ambassador oversees gets into trouble which might appear to necessitate some disciplinary measure such as recall, who is to do the disciplining ? If something happens that bears on the war, arising perhaps from the United States having accepted the mandate for Armenia or Mesopotamia, will the Canadian representative at Washington be presumed to act for Britain without responsibility to Britain, or will he be held to commit Canada in any way when acting as British Ambassador ? It will be a triumph of diplomacy indeed to instal a minister plenipotentiary in Washington who will represent two nations without being finally accountable to either. War is teaching us many things.

But possibly, as so often happens in the evolution of the British Empire, what seems to be confusing and difficult in theory may in actual practice have none of the elements of misunderstanding or conflict.

Debt and Taxation

IV. DEBT AND TAXATION

THE country is somewhat sobered by the estimates submitted to Parliament by the Minister of Finance and the magnitude of the deficit on the National Railways. The total of the main estimates is \$537,000,000. Deducting \$38,400,000 provided for demobilisation, the total is \$500,000,000, as compared with main estimates a year ago of \$437,600,000. The supplementary estimates probably will increase the amount to \$600,000,000, as against a revenue unofficially estimated at \$365,000,000. For the last financial year the ordinary revenue reached \$380,832,000 as compared with \$312,946,000 for the year preceding. The customs revenue increased from \$147,169,000 to \$167,429,000. The war expenditure was \$343,544,000, chiefly for demobilisation and gratuities. The debt rose from \$1,574,531,000 to \$1,935,946,000. For this year the estimates show a reduction of \$311,536,000 for demobilisation and of \$41,000,000 for capital expenditure. These figures, however, do not include a railway deficit of \$47,000,000.

The deficit on operation of the Canadian National Railways was \$14,000,000, and on operation of the Grand Trunk Pacific \$5,500,000. On capital cost of the Canadian National Railways the interest was \$19,000,000, and on capital cost of the Grand Trunk Pacific \$8,500,000. The old Grand Trunk has not yet been absorbed in the Canadian National Railway System. The Minister of Railways insists that Parliament must decide whether the deficits are to be met by increase in freight and passenger charges or carried in general taxation.

Sir George Foster, speaking for the Government, has declared unequivocally that additional money gratuities demanded by the Great War Veterans' Association will not be granted. The total of such gratuities, according to the

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Association, would run from \$250,000,000 to \$500,000,000, but the Minister estimates the amount at between \$400,000,000 and \$1,000,000,000. While rejecting the demand, the Government gives assurances that all cases of hardship among veterans will receive thorough and sympathetic consideration, and a Parliamentary Committee has been appointed to review pensions, allowances for disabled soldiers and their dependents, and all other provisions for re-establishment. If the Minister of Finance adheres to his statement that no new loan will be made this year, it is manifest that further heavy obligations cannot be assumed, and the utmost economy must be practised if a very wide gap between income and outgo is to be avoided.

Canada. April, 1920.

AUSTRALIA

I. SIR EDMUND BARTON

THE death of Sir Edmund Barton has removed, not the last, but one of the last, and certainly the foremost of the group of men who achieved the union of Australia. Any political and party antagonism associated with his position in State and Federal politics died down long ago, and for the last seventeen years of his life, which he spent in the comparative serenity and retirement of the High Court bench, he has enjoyed the esteem, the confidence, and the affection of every class of his fellow-citizens. Of late ill-health has pursued him ; but the genial and lovable disposition which he retained through all the asperities of strenuous political life, and which had endeared him to countless friends in all parts of Australia, remained unchanged till the end. His death, which came suddenly, evoked, besides sincere personal sorrow, a deep and widespread recognition of the services he had rendered to Australia and the Empire. His name will stand among the greatest in Australian history.

He was not, and could not have been, a success in the ordinary everyday work of politics. Although he had had wide political experience, he had a certain indolence of temperament which made him somewhat indifferent to the trivial everyday issues which make up so much of political life in all countries. This indolence disappeared, however, where the great issues of Imperial and Australian unity were concerned. The fight for the federation of Australia

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called out all the energy, the enthusiasm and the ability he possessed. When Sir Henry Parkes died in 1896 his mantle fell on Sir Edmund Barton. It was he who maintained public interest in the subject between 1891, when the first draft of the Constitution was made, and 1897 when a popularly elected Convention began the work of framing the Constitution of the Commonwealth. That Convention sat until 1898. He led its deliberations with unflinching tact and ability. When the draft Constitution was submitted to a referendum, he headed the forces which worked, against bitter opposition, for its acceptance. The Constitution, having surmounted its difficulties in Australia, had to be presented to the British authorities for enactment by the Imperial Parliament, and Sir Edmund Barton led the delegation of Australian representatives to London, and had the main responsibility for the negotiations with the British Government which preceded the introduction of the Commonwealth of Australia Constitution Bill into Parliament. When the Constitution was ultimately brought into operation, he appropriately became the first Prime Minister. His colleagues, unquestionably the ablest body of men ever brought together in any single Ministry in Australia, were a difficult team to handle. Nearly all of them had been Premiers in their respective States. Most of them were men of strong character. They had had no previous political experience in common. They had to work in new fields of policy. It is doubtful if anyone except a man of Sir Edmund Barton's qualities could have held them together. They differed about many things, but they all agreed in their affection for their chief.

In 1903, after two rather turbulent years of office, he took a seat on the bench, where his intimate knowledge of Constitutional law and practice was of the greatest value. Since then his public appearances have been few and far between. The war afforded opportunities from time to time for the public expression of his pride in and his love

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for the Empire; and his speeches on various occasions connected with it showed that his assiduous performance of his duties on the bench had not destroyed his appreciation of great moral and constitutional issues. He died, hardly, indeed, an old man, but still in the enjoyment of :—

“ that which should accompany old age,
As honour, love, obedience, troops of friends.”

And in him Australia and the Empire lost a loyal and devoted servant.

II. THE FEDERAL ELECTIONS

THE result of the Federal elections in December last was to leave the Hughes Ministry with a majority of three over all other parties in a House of seventy-five members. The figures for the House of Representatives were Nationalists 39, Official Labour 26, and Farmers' Party 10. In the Senate, however, eighteen out of the nineteen vacant seats (in Tasmania there was one casual vacancy to be filled) were won by Nationalists, the other seat going to the Official Labour Party. Preferential voting was used for both Houses, but as it was devised to give majority representation in all cases, it naturally failed to give representation to parties according to the number of votes polled. The numbers of first preference votes recorded for candidates of each party in the Commonwealth were Nationalist 861,990, Official Labour 795,857, Farmers' Party 178,652, other 21,323. On this basis the Nationalists were entitled to 35 seats, Official Labour to 32, Farmers' Party to seven, and other, consisting of Independents and Socialists, to one. In the Senate elections the inequity of the system was evident, since one party, the Nationalists, polling less than half the total votes, won eighteen out of the nineteen seats—a travesty of representation which

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could not have been worse if the former block system of voting had been retained. As a matter of fact the system used was designed to make the block vote effective in returning one party only.

Viewing the elections as a whole, it cannot be said that the Nationalist Party gained a striking victory. They went to the poll with the advantage of office, claiming credit for the success of their "win-the-war" policy. The only possible alternative Ministry was one in which Mr. Ryan would be dominant, and the prospect of handing over the finances of the Commonwealth to his keeping doubtless forced many to vote for a Nationalist administration as a lesser evil. The promise of a gratuity to returned soldiers, together with Mr. Hughes's present undoubted popularity with them, might have been expected to yield a larger return of soldiers' votes. Actually the numbers of Nationalist members decreased while the Official Labour opposition increased. The Nationalist Party lost several important seats, including that of Mr. Glynn, Minister for Home and Territories, and that of Mr. Webster, the Postmaster-General. An important feature of the election was the success of the new Farmers' Party—due partly to discontent with Government control and management of industry during and since the war, and partly to the predominant influence in Federal and State politics hitherto exercised by urban interests. The Farmers' Party opposed Labour and Nationalist candidates alike, and made a successful first entrance into politics with ten members, five of whom were elected from Victoria. Since the elections one member of the Official Labour Party has declared himself an Independent, and one member of the Nationalist Party has joined the Farmers' Party. With a slight change in the political situation the Farmers' Party may easily hold the balance of power in the House of Representatives, and it remains to be seen whether they will attempt any bargaining or coalition with either of the other two parties.

Expulsion of Mr. Higgs

The two proposed amendments of the Constitution on the extension of the legislative powers of the Commonwealth over trade and industry and the nationalisation of monopolies, which were submitted to referendum, were both rejected. The States were evenly divided, Victoria, Queensland and Western Australia voting "Yes" on both, while New South Wales, South Australia and Tasmania voted "No." The totals for the Commonwealth were: Legislative Powers—"Yes," 911,357; "No," 924,160; Monopolies—"Yes," 813,880; "No," 859,451. This result was a defeat for Mr. Hughes, who had introduced the amendments as a necessary preliminary to his campaign for routing the "profiteer." Little enthusiasm for the amendments was shown by the candidates of the party which had introduced them. Official Labour left the issue open, and Labour opinion was divided, the executive of some States advising the rank and file to vote "yes," and of others to vote "no." The State Ministries gave little support, and in the case of South Australia definitely opposed the transfer of powers to the Commonwealth. It is significant that for the past nine years proposals for changes in the Commonwealth Constitution have been submitted to the people by referendum three times in all, by Labour Ministries and Nationalist Ministries, and in every case they have been rejected.

III. EXPULSION OF MR. HIGGS

MR. W. G. HIGGS, deputy leader of the Labour Party in the last Federal Parliament, speaking early in January at the declaration of the poll for the constituency of Capricornia, Queensland, for which he was elected, took occasion to criticise both the internal organisation of his party and its policy in regard to the recent elections. The most important point in his criticism was that Labour members of Parliament were subject to outside control by

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the central political executives appointed in each State by the State Labour conferences. From his own account, relations between himself and the Queensland central political executive had been for some time past strained, and he evidently intended this speech as a challenge to his party. The challenge was taken up. The central political executive, towards the end of January, summoned him to come before them to show cause why he should not be expelled from the Labour Party, and, on his refusal, formally expelled him. This action raised once more the important question of principle much discussed in 1916 when Mr. Hughes, Mr. Holman, and several others left the Labour Party. The question is whether the Labour Party is definitely committed to a system of complete outside control of Parliamentary representatives or whether there is left to members a certain amount of independence of action. Since 1913 the power of the conference and its organ, the central political executive, has been growing at the expense of the independence of Labour members of Parliament, and the expulsion of Mr. Higgs, following on the events of 1916, may be taken as establishing finally the complete supremacy of the conference. Anyone who remains an official Labour member of Parliament may be taken as accepting this position as part of the organisation of his party.

IV. MARINE ENGINEERS' STRIKE

IN December, 1919, about 350 out of 3,100 members of the Institute of Australasian Marine Engineers, after some negotiation with their employers, declared a strike on inter-State and certain overseas ships. The subject of the dispute was a claim for higher pay. An award of minimum rates had been made in December, 1918, for a period of three years, and therefore the Commonwealth Arbitration Court would not have been able to entertain the full

Marine Engineers' Strike

claim of the engineers until the period specified had expired. Had the dispute come before it, however, the court would have had the power to carry the previous award up to the limit of the original claim, which was considerably less than the new. The engineers claimed that during the war they had carried on under the old conditions so as not to hamper shipping, although other members of the mercantile marine had secured increases. They pointed to the recent increases in the pay of marine engineers in Great Britain, United States, and elsewhere, and also to the fact that in the settlement of the recent seamen's strike the rates granted to the seamen had diminished the differentiation between seamen and the more specially trained engineers. The old rates of pay ranged from £15 10s. to £42 per month, varying with the rank of the engineer and the size of the ship. They now claimed from £19 5s. to £61 per month. During negotiations in November, before the strike, the employers had offered an increase on the old rates of £2 per month all round, but this was declined because the men demanded that the increase should be proportionate to pay. In December, after the strike had begun, the Controller of Shipping offered the New Zealand award agreement rate, plus £1 10s. per month for junior officers, which made the rates from £18 to £50. This offer was accepted by the Melbourne branch of the Institute, but rejected by the Sydney and other branches. After several conferences in January of this year between the Institute, the Federal Government, and the Steamship Owners' Association, it was proposed by the Controller of Shipping that the rates should be £19 to £51, that the men should resume on these terms, and that after resumption a tribunal with an independent chairman should adjudicate on the full claims. This offer was also rejected, the Melbourne branch again voting for resumption, but with a reduced majority.

The Federal Government, both as owner of the Commonwealth line of steamships, and as charterer of inter-State

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shipping, was specially interested, since it would have to find the money to pay any increases. Moreover, as in the seamen's strike, the stoppage of trade by sea and the lack of sea-borne coal was paralysing industry and creating unemployment. Once again the States furthest away from the coal supplies of New South Wales suffered most. It was obviously not possible to defeat the strike by manning the ships with unskilled volunteer labour. Sympathy with the engineers, the aristocrats of labour, who had held themselves aloof from other unions, was not strongly marked amongst labour organisations. One outstanding fact was that the engineers had refused to accept an offer of a substantial increase with the right of establishing before an independent tribunal their claim to the full amount demanded. In these circumstances Mr. Hughes, early in February, publicly announced that the Government would not surrender to the strikers. This was followed, on February 10, by a proclamation under the War Precautions Act aimed, "with a view to the public safety and the defence of the Commonwealth," at cutting off all supplies from the strikers and making it an offence to give financial or other aid to them. Under the proclamation it was made an offence punishable by fine or imprisonment to aid by word or deed the continuance of the strike. In particular, lending or giving money to strikers, whether in aid of the strike or not, by banks or by private individuals, was forbidden. This meant that not only were strike levies and subscriptions illegal, but banks were not allowed to pay out moneys lying to the credit of the Institute. One effect of the proclamation was to enlist the sympathies of organised labour throughout the Commonwealth on the side of the engineers. The Trades Hall Councils of Sydney and Melbourne at once passed resolutions emphatically protesting against such an abuse of the War Precautions Act. Not only was organised labour alarmed; Mr. Holman, the Nationalist ex-labour Premier of New South Wales, declared that such a use of the War Precautions Act was

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never intended, and characterised it as a "grave abuse of authority." It would be idle to pretend that the public safety and defence of the Commonwealth was concerned in the way contemplated by the War Precautions Act, and this arbitrary misuse of powers granted for a totally different purpose will do much to discredit the Federal Government in the eyes of impartial observers. However, it is possible that the success of the measure as a strike-breaker may encourage the Government to introduce legislation giving extensive powers to the executive in cases of industrial disturbances. About the same time an application was made to the Commonwealth Arbitration Court for the de-registration of the Institute.

The proclamation created at once an intolerable position for the strikers, whose leaders saw that it was useless to prolong the struggle, and that if the terms offered were again rejected the men would be forced to yield in a few weeks, when there was no guarantee that the offer would still be open. Consequently they decided on a resumption of work at the rate of £19 to £51, reserving the right to claim the full amount before an independent tribunal whose award might not be lower than the terms accepted. At the same time the application for de-registration was withdrawn. Work was resumed on February 27, and when all the vessels concerned are running as usual the tribunal will meet to adjudicate on the full claims.

V. NEW SOUTH WALES STATE ELECTIONS

THE New South Wales State Elections will be held on Saturday, March 20, and the result will be known* long before these notes appear in the ROUND TABLE. The

* The full returns are not known in England at the time of going to Press, but those already reported are as follows :

Nationalist...	42
Labour	40
Progressives	8

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issues are curiously confused, and the outcome very difficult to forecast. There are two major parties—the Ministerial “Nationalists,” led by Mr. Holman, and the Opposition Labour Party, led by Mr. Storey. There are also in the field a fairly strong “Progressive” Party, and one or two minor sections, such as the “Soldiers and Settlers” (broadly anti-Labour, but also anti-Holman), the Catholic “Democratic” Party, and the Independents. Altogether there are 310 candidates for 90 seats, including an unusually large number of Independents.

The record of Ministers is a good one in respect of their patriotic attitude towards the war and their lands administration; but they have to some extent lost public confidence in that they are charged with failure to curtail expenditure, and with incompetence and carelessness in the operation of the State Wheat Pool. It is a very general impression that Ministers are opportunists who rely too readily upon mere party manoeuvres, sometimes at the expense of political principle. The Ministry suffers from those inevitable phases of unpopularity which attach to any party some years in power, and also from an unreasoned, but very widespread public resentment against constituted authority because of the high cost of living, a resentment from which no Ministry, however well intentioned, can in these days expect entirely to escape. This last is possibly the strongest of the varied sentiments agitating the public mind, and it gathers additional force because the Nationalists, possibly unjustly, are accused of over-tenderness to the moneyed interests. Mr. Holman is known to dominate the Ministry to a rather unusual extent, and in consequence a great deal of the antagonistic feeling is directed against him personally rather than against the National Party or the Ministry. To him are attributed in a particular degree the accumulated political sins of the Ministry and Party.

A distinct feature of the elections is that “proportional representation” will be tried for the first time in the history of New South Wales. A large number of informal

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votes is likely, for the candidates are many, and all must be voted for in order of preference, down to the least favoured. It is claimed for the system that it secures to the minority a representation roughly equal to its voting strength, and students of political theory are awaiting results with keen interest.

The proportional system is said to have encouraged good men, new to politics, to come forward. Under the old system of single electorates the danger of vote-splitting was real, and made many people acquiesce in "pre-selection" by the party organisation (with the accompanying pledge that unselected candidates would retire), despite its evils, including the undesirable intrigues to which the process of seeking the party nomination often lent itself. The two main parties still insist on the virtues of pre-selection, but some at least of those who are broadly in sympathy with the Nationalist programme, while they resent the domination of the party machine, feel that they can now come before the electors without exposing themselves to any fair charge of vote-splitting.

The "Progressives" started about eight years ago as a "Country Party" to represent rural interests in face of what was deemed the predominance of City, i.e., Sydney, interests in politics. Upon this stock has been grafted a party which is not exclusively rural in interest, but is united in opposition both to the Labour Party and to Mr. Holman. This party is sufficiently numerous and widespread to have put forward, for both urban and rural constituencies, a number of candidates almost as large as the Nationalists. In spite of their mutual hostility, the antagonism of both Nationalists and Progressives to the Labour Party is sufficiently strong to make it probable that Nationalist and Progressive electors will exchange second votes rather than risk the return of Labour candidates. If this course is followed, the Labour Party is not likely to be able to form a Ministry in the new Assembly. The Labour leadership at present is uninspiring, while Mr.

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Holman is universally recognised as a brilliant election campaigner. Also the last few years of Labour administration in the neighbouring State of Queensland have made a considerable impression in New South Wales.

VI. COMMERCIAL POSITION AND OUTLOOK

DURING their visit to Australia in 1918 the members of the French Mission were anxious to learn what new industries had arisen in Australia, and to what extent existing industries had developed in consequence of the war. They professed surprise at learning that neither in the matter of new industries nor in the development of those existing had Australia anything of a permanent nature for which to be thankful in this connection. The observation referred to was based upon the experience of past wars, in which the community has at times been driven to develop its own resources by the operation of the restrictions imposed upon trade through the war. In the present case some countries—for example, the United States of America, Canada and Japan—have developed their industries and extended the scope of their economic activities. Australia has had no opportunity of this kind to compensate for its losses in the war. For one thing, owing to the long transport leading to a scarcity of shipping, markets which had been supplied by Australia were cut off, and the machinery for establishing industries could not be obtained.

At the commencement of the war, in the season 1914-15, Australia experienced one of her most severe droughts, and found that, for the time being, her ability to supply troops could not be supplemented by a corresponding ability to supply even her normal output of food products. The seriousness of the drought was shown by the fact that the wheat harvest which, taking one year with another, averages about $11\frac{1}{2}$ bushels per acre, yielded for the season 1914-15 only $2\frac{1}{2}$ bushels, and that between the end of 1913 and the

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end of 1915 the sheep flocks diminished by about 16,000,000 or more than 18 per cent., and the number of cattle by about 1,500,000 or $13\frac{1}{2}$ per cent. The three succeeding seasons were excellent, and in that of 1915-16 there was a record acreage under wheat and a total production of 179 million bushels. This was the largest crop ever harvested in Australia, the previous record having been 103 millions in 1913-14. The increase here shown was, however, short-lived, and the succeeding seasons have exhibited continuously diminishing acreages and yields, until for the current season 1919-20 the area under wheat is estimated at 6,600,000 acres, as compared with 12,500,000 acres in 1915-16. Wheat growing may be said to have been the only extensive industry which exhibited a marked increase during the war, and, as shown above, the improvement was transitory. In the manufacturing field the result of the war was a heavy decline in the number of persons employed, due no doubt in some measure to enlistment, and though in the last two years of the war-period a decided improvement had taken place, the records for 1918 showed 15,421 factories and 328,000 operatives as compared with 15,536 factories and 337,000 operatives in 1913. There was certainly a development in the wool scouring establishments and the woollen mills, owing to the demand from the Department of Defence for woollen goods for military purposes ; in the establishment of the Broken Hill Iron Works ; in the smelting of Australian ores ; and also in the production of certain minor articles usually imported ; but the increases involved were relatively small, and were more than counterbalanced by the marked decline in many other industries. It is true that the figures for manufacturing industries show ever-advancing totals for the values of capital employed, wages paid, materials used, and output, but such increases are largely due to increased prices. The best test of variation at present available is that of employment provided, and Australian manufacturing industries provided less employment at the termination

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of the war than at its commencement, although, as stated above, the returns for the last two years of the war period indicate that these industries are gradually recovering their pre-war position. In this connection it must be remembered that the manufacturing industries of Australia are in their infancy, and that in very few cases are they supplying even the needs of the Australian population. In a few instances—such for example as the production of flour, biscuits, leather and jam—there is an export trade, but in no case is there any extensive well-established manufacture for export. In the present stage of her development Australia, in so far as her commercial relations with the outside world are concerned, figures mainly as a producer of food-stuffs and raw materials and an importer of manufactured articles, and of such other commodities as tea, coffee and kerosene, not produced in Australia. A simple statement of the make-up of the Australian exports for a normal pre-war year will best show the overwhelming importance of the part which the primary industries of Australia play in her oversea trade. For this purpose the figures for 1913 may conveniently be employed as those of a year not subject to any exceptional conditions.

AUSTRALIAN EXPORTS, 1913

Of Australian Origin—						£
Agricultural products	..	..	..	..	..	10,749,459
Pastoral products	..	..	..	..	..	42,038,971
Farmyard and dairy products	..	..	..	..	..	3,863,979
Unmanufactured metals and ores	..	..	..	..	..	12,689,990
Coal	..	..	..	..	..	1,121,505
Timber	..	..	..	..	..	979,896
Pearlshell	..	..	..	..	..	382,722
Pearls and precious stones	..	..	..	..	..	158,211
All other exports of Australian origin	..	..	..	..	..	3,105,414
Re-exports	..	..	..	..	..	3,433,622
Total exports						£78,523,769

Wheat and flour represent about 90 per cent. of the agricultural total, while butter accounts for more than

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90 per cent. of the farmyard and dairy total. Wool is the preponderating item in the pastoral group, but meat, skins and tallow all bulk largely. Excluding the re-exports, which are mainly due to trade with New Zealand and the Pacific Islands, it will be seen that the output of the agricultural, pastoral and dairying industries represented about 75 per cent. of the exports of Australian origin, and the output of the mineral industry over 18 per cent., while the exported products of forestry and fisheries represented 2 per cent., leaving little more than 4 per cent. of the total for all other exports of Australian origin. In these circumstances it is clear that in the present stage of development the essentials of commercial prosperity in Australia are favourable seasons and facilities for transport. Owing to her extensive areas and the remoteness of many of the settled parts from the seaboard, facilities for inland transport are as necessary as those for transport overseas. This fact, combined with the practical absence of inland waterways, has led to the development of railway systems in Australia, the total mileage of which is greater in proportion to population than that of any country in the world. Thus in Australia there are five miles per 1,000 of population, as compared with 3·8 in Canada ; 2·7 in New Zealand and Argentina ; 2·6 in the United States ; 1·3 in the Union of South Africa ; and 0·5 in the United Kingdom.

The Australian season 1915-16 was excellent, and in addition to furnishing a record wheat harvest, it also initiated one of those periods of marked recuperation in depleted flocks and herds which are a recognised feature in Australian pastoral experience. At this stage the transport trouble arose, and owing to the distance from Europe and the increasing shortage in merchant tonnage, much of the output of Australia's bountiful harvests of 1915-16, 1916-17 and 1917-18 had to be stored upon her shores, subject to the depredations of mice and weevils. Similarly, the overseas transport difficulties prejudicially affected the wool industry, and had it not been for the munificence of

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the British Government, which promptly provided heavy payments in respect of its large purchases of wheat and wool, although the prospect of delivery was remote, the financial position in Australia would have been acute, notwithstanding bountiful seasons. In the sequel the purchase of Australian wool has proved an excellent investment for the British Government, but at the time the purchase was arranged the outlook was not good, and the terms were admittedly generous.

During the war period the usual price-fixing and other restrictions commonly resorted to in such circumstances were called into requisition by Federal and State Governments, but it is very doubtful whether, with the possible exception of the sugar control, any of them exercised a marked influence on the cost of living. In one important case it was strongly urged that the restrictions on butter, by rendering the production of that commodity less remunerative than the production of meat, had led to considerable reduction in the strength of the dairy herds, and consequently to subsequent increase in the price of butter.

An outcome of the restricted conditions of the war period, and in particular of the restricted facilities for oversea transport, was the formation under Government control or supervision of numerous boards, committees, commissions, pools, etc., for the regulation of local and external trade in various leading lines of production. Thus the Australian Wheat Board, with supplementary committees in the several exporting States, controlled transactions in wheat, arranging for its storage in Australia and its subsequent sale and despatch. Payments to farmers were financed by the arrangement of advances from the local banks, liquidated as payments were received in respect of sales. The extensive purchases of Australian wool by the British Government from 1916 to 1920 led to the formation of the Central Wool Committee, assisted by a local committee in each State. These committees

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comprised representatives of the wool growers, wool buyers, manufacturers and scourers or fellmongers, the Central Committee comprising in addition a representative of the Commonwealth Government, who acted as chairman. An important function of this committee was the appraisalment of the wool of the growers, and the appropriate allocation of the purchase money provided by the British Government at the average rate of $15\frac{1}{2}$ d. per lb. Other bodies of a similar nature, constituted for controlling the sales of various products locally or abroad, were the Australian Metals Exchange and the Butter Pool, while the control of the sugar output from 1915 onwards by the Commonwealth Government was entrusted to a special Government sub-department.

Since the termination of the war certain of these bodies have been undergoing a process of gradual winding-up, and the Governor-General's speech at the opening of Parliament on February 26, 1920, contained the statement that "the Government policy is at the earliest moment to divest itself of the present pools and controls, and thus permit the trade of the Commonwealth to revert to non-Governmental channels, while affording the primary producers every possible assistance in extending the co-operative organisation of their important interests." In the cases of wheat and wool there is a movement in favour of retaining some sort of central regulating organisation free from Government control, but agreement on the point has not yet been reached by the parties concerned. In general, however, the prevailing desire appears to be to get back to the conditions of a free market. Australian industries, other than those mentioned, suffered severely from different phases of the war and its consequences. Thus the gold-mining industry was severely hit by the embargo on gold export and the general rise in prices due largely to currency inflation. In this connection it may be mentioned that even yet there is great exception taken in official circles to any suggestion of inflation; and although

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statements appear in the Press of sales of gold at a considerable premium, there is still an attempt made to camouflage the fact that Australian paper money, in common with that of most countries of the world, is a seriously depreciated currency. For some reason not apparent there is also an objection to publish the export of gold, and although details for all other exports are available for publication, the quantity of gold exported either in 1917-18 or 1918-19 cannot be ascertained. Export without Government consent is prohibited. The production figures, on which there is no such embargo, show that, whereas gold to the value of £9,400,000 was mined in Australia in 1913, the total produced in 1919 had fallen to £4,600,000, and the decline appears likely to continue. The timber industry was affected by the disorganisation of shipping facilities, and the pearl shell industry was temporarily suspended by the absence of a market for the shell. The export trade in green fruit also suffered from the shipping shortage, but a slight compensation was furnished in the development of the dried fruit industry, largely owing to the disabilities suffered by the producers of currants and raisins on the Mediterranean. How this now flourishing industry will meet the newly revived competition of the old world remains to be seen.

Unfortunately the termination of the war, like its commencement, saw a great part of Australia in a condition of drought, which at the time of writing, March 24, 1920, has not disappeared. The present trouble is not in general as intense as that of 1914-15, but it is protracted, and its effect on Australian prosperity is considerable. Thus the wheat yield, which, as before stated, normally averages $11\frac{1}{2}$ bushels per acre fell in 1918-19 to below $9\frac{1}{2}$, and in 1919-20 to 7, while the sheep flocks of New South Wales are reported to have diminished during 1919 by about 7,000,000 head, viz., from 39 to 32 millions. Notwithstanding the generally unfavourable condition in respect of such matters, business in Australia is exceptionally brisk,

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and in drapery and similar lines the trade, as indicated by values, is phenomenal. Much of this, however, is artificial, and may be likened to the high temperature of a fevered condition rather than to the glowing warmth of perfect health. The increased and increasing supplies of paper money during the period of the war, the local spending of large loan flotations, and the system of obtaining such loans by extensive bank credits granted to the lenders have all combined to bring about that unhealthy condition of increased spending power without adequate basis, which so readily leads to boom and subsequent collapse. These conditions, resulting in meteoric changes in nominal values, are conducive to a spirit of gambling, and evidence of such development is beginning to appear. Such facts as are available may not in themselves represent much, but they are symptomatic of unhealthy conditions, and indicate the necessity for a return to a sounder basis. The unfavourable seasonal phenomena are, of course, not under the control of the authorities; but it is not the drought, disastrous though it is, which is at the bottom of the present unsatisfactory condition, as the experience of Australia has frequently shown that her powers of recuperation are remarkable, and that in the case of the wheat crop, for example, the heaviest harvests are usually those which follow a drought.

The main causes of the trouble are the inflation of credit and currency, the demonetisation of gold, and the consequent ever mounting prices. Much of the labour unrest in Australia, as elsewhere, is due to a great extent to the well-established fact that in general wages follow prices, and that with rapidly rising prices the worker is continually in the position of receiving wages which represent rapidly falling quantities of commodities, and feels that he must resort to plaint or strike to rectify the balance, only to find when the claim is settled that prices have risen still higher, and that his wages still supply less than his needs. At the present time in Australia there are

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arbitration courts and wages boards, supplemented by Courts of Industrial Appeals, continuously and ineffectually working to adjust the rates of wages to the elusive prices. In addition there is at present in operation a Federal Basic Wage Commission sitting to ascertain "the actual cost of living according to reasonable standards of comfort, including all matters comprised in the ordinary expenditure of a household for a man with a wife and three children under fourteen years of age." The Federal Government has announced its intention of giving effect to the recommendations of this commission so as to establish a basic wage. In present circumstances, and at the present rate of progress of the commission, it appears probable that the basic wage decided upon will have become very much out of date by the time the finding is arrived at.

There is also a Fair Profits Commission appointed by the Victorian Government enquiring into the question of profiteering; and in New South Wales there is a State Board of Trade, appointed by statute, which makes annual determinations of the living wage for that State. The latest determination of this board, viz., £3 17s. per week, based on the cost of living of a man, his wife and two children, was received with consternation in some quarters, and a Bill to minimise its effect was hastily introduced into the State Parliament by the Premier. This measure provided, amongst other things: (1) for the voidance of any awards based upon the board's determination; (2) for the temporary retention of rates of wages existing at the date of the determination; (3) for a new determination by the board based on the cost of living of a man and his wife; (4) for a separate determination by the board of the cost of maintenance of a single child and of each additional child; (5) for a determination by the State statistician of the average per employee of the total cost of maintenance of all children of employees (boys under 14, girls under 15); (6) for a levy on employers of the average per employee so determined; (7) for the payment of such levy into the

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"Maintenance of Children Fund"; (8) for the eventual general payment of living wages, based on the cost of living of a man and his wife as determined by the board; (9) for a payment from the fund monthly to each mother of a sum requisite for the maintenance of her dependent children as determined by the board; (10) for any deficiency in the fund to be made good from Consolidated Revenue. The Bill, after a fairly rapid passage through the Legislative Assembly, was lost in the Legislative Council.

To sum up the position in respect of Australia, it may be said that, apart from her labour troubles, in which she is by no means alone, she is at present suffering from a protracted drought, from transport dislocation, and from the ills usually associated with a depreciated currency, and that the most essential immediate reforms are more adequate provisions for water conservation, and extension of transport facilities, local and oversea, and a return to a free gold basis—particularly the last named. Given these, and a return of favourable seasons, the outlook is hopeful. In the matter of water conservation, an important scheme for locking the Murray is now being started, but before there can be any improvement in the currency there must be a recognition by those in authority that an evil exists. Fortunately evidence of such recognition has recently been furnished by an announcement on the part of the Prime Minister that there would be no further increase in the issues of paper money. This, though tardy, is welcome, but more is needed. Provision must be made for deflating existing currency and credit.

Australia. March, 1920.

SOUTH AFRICA

I. THE GENERAL ELECTION

THE General Election was held on March 10, and, as was foretold in the last number of THE ROUND TABLE, the result has been to accentuate the unsatisfactory position created by the elections of 1915. No one of the four political parties into which the Union's exiguous population of 1,500,000 white people finds it necessary to divide itself can command a majority. But the consequences of this were not so serious in 1915 as they may be now. In 1915 the main issue was the part the Union was to play in the war, and the overwhelming majority which was returned in favour of General Botha's "see the war through" policy made it possible for him and General Smuts to carry on the government of the country until peace was ratified. To-day other issues, highly controversial in character, have to be faced, and in the absence of the pressure of the war, which effectually compelled parties to co-operate to carry on the government, one looks round somewhat hesitatingly for a way out of the present *impasse*. The position can best be made intelligible by the recital of a few election statistics. The composition of the House of Assembly immediately prior to and after the election is shown in the following table :—

					Before.	After.
South African Party	53	..	41
Unionists	38	..	25
Nationalists	27	..	44
Labour	6	..	21
Independents	6	..	3
					<hr/>	<hr/>
					130	134

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The outstanding feature is the increase in the Nationalist and Labour representation, effected at the expense of the South African Party and Unionists respectively. The former, compared with 1915*, polled an increased vote of 30 per cent. and gained 17 seats; while the latter, polling an increased vote of 60 per cent., gained 15 seats. Thus it would appear that Nationalism and all it stands for of narrow racialism, anti-imperialism and disunion, has increased 30 per cent.; and that whereas in 1915 43 per cent. of the rural population voted Nationalist, this has now increased to 65 per cent.

This may be said to be the most disquieting feature of the results. But even these figures show that the Nationalists still have very little prospect of attaining a strength sufficient to enable them to force their policy on the country. If they can count on only 56 per cent. of support in the rural areas their chances of success in the Union as a whole must be very meagre. For the large urban areas, such as Capetown, Durban and Johannesburg, can be counted on to return overwhelming majorities against their doctrines. These areas in this election were swept by a wave of Labour sentiment, which gained its impetus from the rise in the cost of living and the failure of the Government to deal with it. But Labour cannot hope to retain its hold on them if it flirts with Nationalism on the constitutional issue. Therefore any motion which the Nationalists may bring forward in favour of South Africa breaking away from the British Empire is sure to be defeated by the combined forces of all the other parties voting solidly against them. They, of course, realise this, and no such motion is likely to be tabled. Furthermore, the "independence" propaganda to which they have committed themselves has a disintegrating force upon their

* For the 1915 returns see ROUND TABLE, No. 22. The approximate strength of parties as disclosed in the election last month is: South African Party, 90,000; Nationalists, 101,000; Unionists, 41,000; Labour, 41,000. These figures omit 3 constituencies where Unionists were returned unopposed.

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own ranks. It does not go down very well in the Cape Province. A discreet veil has to be drawn over it by any Nationalist who contests an urban constituency. Even in the Transvaal, where the uncompromising Mr. Tielman Roos rules over the destinies of the party, the independence plank has to be artistically draped in a semi-religious and economic covering. Article 1 of the manifesto of the Nationalist party candidates in the Transvaal attempts to do this :—

The National Party strives for the independence of South Africa :

(a) Because it believes in a just God, who never permits injustice, and always restores the violated rights of nations.

(b) For the sake of the economic and social well-being of South Africa.

Whatever may be the significance of this rather abstruse declaration, it is clear that it lays down an ideal for the future rather than an object to be striven for immediately. Probably only in the Free State would "independence" now produce many martyrs. But the harm in the movement, and the immediate danger which must follow any increase in its ranks, lie not so much in any academic discussion of constitutional or imperial problems to which it may give rise, as in the combustible material with which it feeds the embers of a crude racialism, which South Africa vainly hoped she had extinguished in 1910. For the Nationalists stand for Dutch dominance, and although this may be hidden under a cloud of words appealing to the principles of independence and the self-determination of nations, ultimately pure racial dominance is what is meant.

The Labour Party, on the other hand, refused to admit that the real issue before the electors was either a constitutional or racial one. Though they were careful to point out that on these issues their sympathies were not with the Nationalists, they described them, nevertheless, as being red herrings drawn across the trail to distract the electors' attention from the real issues, which, they claimed,

The General Election

were economic and social. In this they were helped by the rise in the cost of living. South Africa, like the rest of the world, has suffered in this respect, and the record of the Government on it was a poor one. The dismal history of the legislation introduced in 1918 to deal with the control of rents, for instance, was recorded in *THE ROUND TABLE* of September, 1918. Since then little has been done. And the Government inaction involved the Unionists also. They had been returned in 1915 on their undertaking to support General Botha in his war policy, and obviously this was of more importance than any consideration of the cost of living. But now that the war is over, and yet the cost of living continues to rise, it is, perhaps, natural that the failure to deal with it should be remembered against the Unionists rather than the sacrifices that they have made to carry out the more important pledge to help General Botha to see the war through. At the beginning of the election campaign General Smuts endeavoured to retrieve the situation by announcing a comprehensive programme of legislation, on the same lines as has been attempted in England. But it was too late, and both South African Party and Unionist candidates, particularly in Johannesburg and Durban, were swept away in the flood tide. In some cases labour benefited by three-cornered contests in which Unionist, South African Party or Independent candidates divided the anti-Labour vote. But this does not detract from the significance of the Labour party's achievement. It was a protest by the people against the inaction of the Government on the cost of living, an inaction which had been induced by the fear of alienating their more conservative supporters by any too radical measures.

A discussion of the causes which produced the result does not much assist us in dealing with the situation which is the outcome of it. This is indeed baffling. How is a Government to be formed which can be sure of commanding an adequate majority in the Assembly? Pending an answer to this question General Smuts has decided to

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carry on, though his Cabinet is deficient of three Ministers—the Ministers for Agriculture and Finance having been defeated and no Minister having been appointed in the place of General Botha. To enable him to do so he will, no doubt, rely on the Unionist and Independent vote. But even these parties in combination with the South African party can only muster 69 supporters in a House of 134—a majority of 4. This small majority has already been reduced by the re-appointment of Mr. Joel Krige, a member of the South African Party, as Speaker; while in Committee, the vote of Mr. Rooth, South African Party member for Pretoria Central, who has been appointed Chairman of Committees, will also be lost. Then, in addition, Colonel Reitz was returned for Bloemfontein South by a very narrow majority owing to a technicality. Two hundred votes had to be disallowed through not being officially stamped. Had these votes been admitted the Nationalist would have been returned by a majority of ten. Colonel Reitz has refused to benefit by this technicality, and has not taken his seat. If, then, this seat is also lost to the South African Party and won by the Nationalists the small South African Party—Unionist and Independent—majority disappears. As regards Labour, General Smuts can also perhaps rely on its unwillingness to take any steps which might precipitate a fresh General Election or imperil the country by rendering inevitable the experiment of a Nationalist Government. Nevertheless, no Government can be safe unless it can command a certain majority over a combination of the Nationalist and Labour parties. Though the latter will undoubtedly maintain its traditional independence of all party entanglements, and up to the time of writing has in every division supported the Government, yet the Party cannot be relied upon to do so indefinitely. The Nationalists will miss no opportunity of bidding for its support, and in the end, on some subjects, must of necessity secure it. Furthermore, co-operation between the Unionist and South African parties will not

The Opening of Parliament

be too easy to bring about and maintain for any length of time. Two highly controversial questions—the incidence of taxation between the urban and rural communities and the Government's native policy, which was inaugurated in 1913 and remains in a state of suspended animation*, may yet act as serious obstacles to the formation of a joint Government with any of the attributes of permanency. Such questions could be shelved during the war, but they have now to be faced.

But in the end, of course, the supreme necessity is that the Government should be carried on. It is no part of this article to attempt to prophesy how this will be achieved. At present one can only describe the situation as it is. It is too early to do more. Let us hope that daylight will have appeared before the September ROUND TABLE article has to be written.

II. THE OPENING OF PARLIAMENT

PARLIAMENT assembled on March 19. In his opening speech the Governor announced that as the result of the elections his Ministers had "deemed it their duty to submit themselves to the judgment of the House." He then proceeded, after alluding to the ratification of the peace treaties, to sketch out an ambitious programme of legislation dealing with the cost of living, the control of rents, industrial peace through the setting up of joint councils of employers and employed for the regulation of wages, hours, and the conditions of labour, the development of industries and agriculture, the construction of new railways, and the reform of the system of native administration. It will be seen from this comprehensive list that General Smuts has decided on the bold course of putting forward an attractive programme of development and reform, and thus placing the responsibility on the

* See ROUND TABLE No. 28.

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three parties opposed to him of either supporting the programme or turning him out. Up to the time of writing these tactics have succeeded. The end of the financial year coming on March 31 rendered imperative the immediate passing of the usual financial measures, such as an additional Appropriation Act and a Vote on Account. These were all passed without much difficulty. What opposition there was was mainly confined to the Nationalist members, who angled unsuccessfully for Labour support. Having passed them, the House adjourned on March 31 for a fortnight.

South Africa. March, 1920.

NEW ZEALAND

I. THE GENERAL ELECTION

THE result of the General Election held on December 17 last was to replace Mr. Massey in power with a substantial majority over all other parties combined. The political allegiance of a few members is not very clearly defined, but it is generally estimated that Government supporters won 46 seats, Opposition (Sir Joseph Ward's party) 20, Labour and Independent Labour 8, and Independents 3. One of these last was a Government supporter in the late Parliament, and while critical of that party in some respects may, as matters political stand at present, be counted on by Mr. Massey on a no-confidence vote. The most striking features of the election were the personal defeat of Sir Joseph Ward in Awarua, and the growth of the Labour vote. Sir Joseph has been a member of the House for over thirty years, and a prominent figure in New Zealand and imperial politics. He was the late Mr. Seddon's first lieutenant, and in 1906, on the latter's death, succeeded to the Premiership. This position he held until 1912, when his ministry was replaced by the short-lived cabinet of Mr. (now Sir) Thomas Mackenzie, the present High Commissioner for New Zealand.* He was the leader of the Liberal party when war broke out, and in the Coalition ministry which was then formed he held, among others, the important portfolio of Finance.

* See ROUND TABLE, June, 1912, September, 1912.

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The circumstances in which he broke up the coalition were described in the December number of this review, and it is unnecessary to recapitulate them. Beyond doubt his action in retiring as he did on the eve of the last session of the War Parliament was thought by many, even of those who were not too favourably disposed towards Mr. Massey, to be unfair and an attempt to secure a tactical advantage. In particular, it checked the gathering movement toward the formation of a National party, and certainly consolidated Mr. Massey's forces in the House, which were beginning to show signs of restiveness and a somewhat critical temper. Naturally enough, the Government press took every advantage of the situation. So, too, as much capital as possible was made of Sir Joseph Ward's rather indecisive pronouncements in the earlier part of the campaign as to what his relations with the Labour Party would be in the event of that body holding the balance of power as the result of a close election, and Mr. Massey's friends displayed the utmost vigour and persistency in emphasising the danger to the country of having a government which might be dependent for its existence on the votes of the extreme Labourites. A further and important factor was the vigorous campaign conducted by the Protestant Political Association—a zealous, militant and organised body of non-conformist origin, which was recently formed for the express purpose of combating the political activities and the alleged influence in matters of government of the Roman Catholic Church. It was probably a combination of the forces named that brought about the defeat of Sir Joseph Ward by a majority of over 700 votes.

He himself, in a speech delivered in February, attributed most weight to the attack made upon him by the Protestant Political Association, and referred in scathing terms to the bitter sectarianism introduced by that body into the campaign. It is difficult for anyone outside the electorate to form an accurate estimate of the effect produced, but while the popular impression is that Sir Joseph Ward

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exaggerated the position, the undoubted fact remains that religious influence played a considerable part in the contest for his seat, and also, though less directly, in some other constituencies as well. Sir Joseph has refused opportunities which were offered to him to contest another seat, and has definitely stated that, for the present at all events, he will not seek to re-enter Parliament. The leadership of the Liberal party has been taken over by the Hon. W. D. S. MacDonald, member for Bay of Plenty, who held office as Minister of Agriculture and Mines in the Coalition government.

On the Government side the Hon. J. B. Hine, member for the farming district of Stratford, and Minister for Internal Affairs in the National Ministry, was defeated by the narrow margin of 70 votes. A petition, however, against his opponent's return has just been allowed by the Court, and a fresh election must be held. In the meantime Mr. Hine had resigned his portfolio. In the Bruce constituency Sir James Allen, Minister of Defence, had only 126 votes to spare.

In no less than 19 districts the representation was changed, and many familiar figures will be missing when Parliament reassembles.

Labour and Independent Labour won 11 seats as against 8 in the former Parliament, in five instances capturing constituencies previously represented by Opposition supporters. The number of wins, however, does not fully indicate the great growth of the Labour vote.

One result of the election has been to stimulate and furnish material for an agitation for the introduction either of preferential voting or proportional representation. The adoption of the latter system is one of the "planks" in the platform of Labour, and analysis of the votes cast in the recent contest has led many Opposition papers to urge an alteration of the present system, which, it is contended, does not ensure a true representation of public opinion in Parliament. An examination of the figures would, however, be

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out of place here. Mr. Massey, who repealed the Second Ballot on coming into power, seems disinclined to favour any change from the existing "first past the post" system, and according to present indications there is little likelihood of any Government measure on the subject being introduced.

The majority obtained exceeded the most sanguine expectations of Ministerialists, and probably surprised even Mr. Massey himself. The difficulty of forecasting the result of the election was admittedly great, the forces at work being novel and the currents shifting and uncertain, but few people anticipated for either of the main parties such a majority that it could pursue its policy boldly and firmly, without the risk of being forced to yield upon many matters, or else to face an adverse vote with the possibility of a dissolution in consequence. The general feeling of the man in the street is now one of relief that at least we have a stable government. Few will grudge Mr. Massey his personal triumph. His long and stubborn fight when in opposition with a mere handful of followers always commanded admiration, and although he has been Prime Minister since July, 1912, he has had little real opportunity of developing his domestic policy and justifying his promise by works. The position of the Reform Party was not very secure during 1913 and 1914, and the Coalition Ministry formed under Mr. Massey's leadership after the general election of December, 1914, was a war ministry of united counsels and divided honours, with a special work only before it. His opportunity has now come. A robust imperialism has increased his reputation; participation in world politics has enhanced his prestige and authority. With a substantial majority already behind him he may easily attract others to his side by an energetic and progressive policy, particularly in matters of administration. For party feeling is less strong than formerly, and the defeat of Sir Joseph Ward has in the case of many members dissolved the personal tie of loyalty to a leader, and increased very much the prospect of a regrouping in the House.

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His position, however, is one of responsibility and delicacy, and he will be judged critically, even by his friends. The times are difficult, and there is a disposition on the part of the public to expect, perhaps, greater and more immediate results than are reasonably possible from legislative and administrative measures. Heavy taxation must inevitably continue for a long time. The cost of public services is steadily rising, and demands for public money coming in from all directions. The ever-mounting cost of living furnishes an urgent problem of vital interest to all classes and presenting extraordinary difficulties. Unrest pervades all industries. At the moment of writing grave dissatisfaction exists in the railway service and threats of a strike have been vigorously uttered. It will require a very able, energetic and many-sided ministry to retain the public confidence and satisfy the public impatience under burdensome conditions.

The first step towards a permanent reconstruction of the Cabinet has been taken by the allocation of the portfolio of Public Works to the Hon. J. G. Coates, M.C., the present Minister for Internal Affairs; and by the appointment of Mr. E. P. Lee (Oamaru) as Minister of Justice; and Mr. C. J. Parr, C.M.G. (Eden), to take charge of education. These appointments have been generally well received. Other important changes must be made in the near future. Sir James Allen, Minister of Defence, has been appointed to London as High Commissioner; while it has been definitely announced that Sir Wm. Herries (Native Affairs) and Sir Francis Bell (Attorney-General and Minister in charge of several minor departments) will both retire at the end of next session. Advice is being freely tendered, too, that the Prime Minister is overburdening himself with Finance and Railways; and the whole question of the number of Ministers and the distribution of portfolios is one that must inevitably engage the attention of the new Parliament. All these matters will present difficulties and arouse active criticism.

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The question of naval defence is also one of profound importance, upon which opinion has not yet ripened. No definite statement has been made so far as to the intentions of the Cabinet in reference to Lord Jellicoe's report, but the indications are that Mr. Massey favours its adoption, in part at least, and will support the proposal for establishment of a Dominion unit rather than payment of a monetary contribution only. He has recently pointed out that the gift cruiser which is to come from home will work in with the Jellicoe scheme, and he has emphasised the value to New Zealand of this and similar vessels. But the acceptance even of this gift has been strongly criticised in some quarters on the score of expense; and the question of the adoption of the report may either result in a sharp party cleavage or afford an opportunity and basis for a readjustment of party allegiance. Little attention to the subject was given in the election campaign, and at present public and politicians alike are adopting a "wait and see" attitude.

II. COAL QUESTION

HERE Mr. Massey has achieved a personal success of some value to him. Ever since September last the problem of getting sufficient coal has been most grave. The position down to that date was fully described in the December issue of *THE ROUND TABLE*, and from that time on the policy of restricting the output was deliberately and openly maintained by the men. Every attempt to settle the points of difference between them and their employers failed. The outstanding difficulties were that, though willing to pay more, the mine-owners refused to replace the contract system by one of fixed wages; and, while willing to confer with the Miners' Federation, steadfastly refused to negotiate with the National Industrial Alliance of Labour.* The men, on their part, were

* See *ROUND TABLE*, December, 1919, pp. 214-5.

Coal Question

equally firm on both these points, and the deadlock continued until the middle of February. During that period at least one-third of the normal output was left in the mines unhewn. In the meantime the price of household and manufacturing coal rose, supplies of all kinds were short, and public services, such as gas and tramways, were seriously threatened and in some instances actually curtailed. One direct result was a severe shortage of cement owing to the necessary closing of mills, and a consequent interruption and delay of building operations. Every effort was made to secure and distribute cargoes of coal from overseas, but the supply was both intermittent and costly, and grave inconvenience was suffered by all sections of the public. At last, in February, at the instance of the Government, a conference was arranged under the chairmanship of the Prime Minister, and after a sitting which extended over nine days, it was announced that terms of settlement had been arranged, subject to acceptance by the various bodies of men concerned. This approval was given early in the present month, and for the time being the situation is eased. The "go slow" policy has been officially abandoned, and the output has very much improved, although many more miners are needed in order to work the mines to their full capacity. Credit for assisting very materially in the settlement is given by both sides to the Prime Minister. Details of the arrangement made are not of outside interest. The essential points are : (1) that the contract system is retained, with, however, a minimum payment of 12s. per shift, averaged over each fortnightly period ; (2) that increased rates of pay are to be adopted throughout ; (3) that the agreement is to remain in force for one year. It is, of course, an inevitable result that the price of coal to the consumer will be raised, and a further step thus taken in the apparently interminable and circular process of seeking by increased pay to overtake the cost of living. For the moment, however, we congratulate ourselves upon the termination of a grave dispute.

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III. GENERAL CONDITIONS

NEW Zealand presents most of the curious antitheses which appear to have been found in other countries since the Armistice. On the one hand, we have high and ever-increasing prices—bread, tea, clothing, tobacco, milk have all jumped again recently—heavy taxation, and a general state of unrest which has severely limited production ; on the other there is lighthearted expenditure and a prevailing unconcern. Houses are scarce, but cost so high that there is no present prospect of meeting the demand by building. Nevertheless, many ambitious public schemes are being pushed on regardless of expense, upon the view that conditions will probably become worse. Places of amusement are thronged everywhere, and all records of investments on the totalisator left far behind. Everybody grumbles at the high cost of everything, yet the only limitation upon luxury seems to be impossibility of getting supplied. Investment stocks are high, pastoral and agricultural lands are fetching big prices and constantly changing hands. The demand for motor cars exceeds the supply in spite of the high price of English machines and the adverse rate of exchange with the United States.

Mr. Massey has repeatedly urged the necessity for increasing production and has stated that a vigorous immigration policy will be undertaken by the Government. Beyond doubt such a policy is needed if New Zealand is to face with security the financial obligations already incurred, and the huge expenditure demanded for reconstruction and development.

Under the Government proposals, farmers, farm-workers and domestic servants are to be specially encouraged, and these may make application to the High Commissioner for free or very much reduced passages according to classification. Upon approval, their names will be forwarded to the

General Conditions

Immigration Department, which will make suitable provision for their employment on arrival. Arrangements are also being made for nomination by permanent residents here of persons residing in the United Kingdom irrespective of relationship or calling, subject to guarantees of employment and maintenance after arrival in the Dominion. Reduced passage rates will be available for these. Further, the Government will work in with the Imperial oversea settlement scheme, under which approved applicants who are proceeding to friends or assured employment in this country will be assisted in the matter of passage. The gravest difficulty to be faced at the moment is the extreme shortage of available shipping.

Two special matters are at present engaging attention—the sale, shipment and distribution of meat, and the removal of the embargo on the sale of hides. These are of very great importance, but nothing short of a detailed examination would be of any value, and such is impossible within the limits of the space available.

Reference has already been made to unrest in the railway service, and within the next week or two it is clear that a very serious situation may develop. During the war the railway workers displayed the most commendable loyalty, doing heavy work shorthanded, and putting up patiently with increased expenses, while all around they saw large sections of labour extracting better wages by the adoption of militant tactics. When the Armistice came they began to agitate for improved pay and public sympathy was entirely with them. After some delay, Mr. Massey himself took over the portfolio of Railways, and the whole question was referred to Mr. Justice Stringer, President of the Arbitration Court, who entered upon a close investigation of the conditions of the service. His report recommended substantial increases in wages, but he has not gone far enough to satisfy the men, who, from one end of the Dominion to the other, have curtly rejected his proposals and characterised them as an insult to the workers. Very

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plain speaking on the subject of a strike has been indulged in, and as Mr. Massey's last utterance on the subject indicated a firm attitude on the part of the Government, the situation is extremely grave. In the meantime, the matter has not gone beyond threats, and the Executive of the Amalgamated Society of Railway Servants is to interview Mr. Massey next week, when it is expected that he will have completely recovered from a slight surgical operation, which he has been compelled to undergo.

IV. THE LICENSING POLL

PROHIBITION, with compensation to the trade, having failed at the poll held in April,* when two issues only were submitted, it was generally thought that when the triple issues—Continuance, State Purchase, and Prohibition without Compensation—came before the electors in December, with the requirement of an absolute majority to carry either of the last two, the vote against Prohibition would be at least maintained. This expectation was not fulfilled. When the first results came through, which did not include the votes of soldiers still abroad or the votes of those holding absent voters' permits, Prohibition had a fairly substantial lead over the other two issues combined, and for a little while it was generally believed that the country had gone dry. When the additional returns, however, came in, the position was reversed. Prohibition failed, but only by the narrow margin of 3,262 votes out of a total poll of 543,762. The minority in April was 10,362, when a total number of 518,016 votes were cast. The official totals for December were :—

Continuance	..	..	241,251	
State Purchase	..	..	32,261	
			<hr/>	273,512
Prohibition	270,250
				<hr/>
Majority against Prohibition	..			3,262

* See ROUND TABLE, Sept. 1919.

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The explanation of the figures appears to be that with the re-absorption of the bulk of our soldiers into civil life, there was a smaller class or block vote among them, and that some people supported unqualified Prohibition who at the previous poll voted Continuance rather than see compensation awarded to the trade.

The position now is that, subject to the possibility of amending legislation, the present system of licence will remain until the next licensing poll, which in the normal course will be held in 1922, when the three issues as recently submitted will again be placed before electors. Local option has been abolished, except on the question of restoration in existing no-license districts. It is, however, quite impossible to predict what Parliament may do during the next three years. Much will depend upon the light to be obtained from the experience of the United States and Canada under Prohibition, and upon how far an attempt is made by those interested in the trade to mitigate its admitted evils. Such an attempt is not likely to come from outside. Two facts stand out clearly, that public opinion against the present system is growing, and that the movement towards State purchase or control has fewer supporters than was generally supposed.

V. HIGH COMMISSIONERSHIP

AS already indicated, Sir James Allen has been appointed High Commissioner in succession to Sir Thomas Mackenzie, and will take up his duties in August. This appointment has been everywhere approved. As Minister of Defence Sir James Allen has had to face much severe criticism during the war, but all of it upon matters of detail rather than principle. His gravest fault was an excessive loyalty to his subordinates, and he was singularly free from the pliant opportunism which so often forms the politician's

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stock-in-trade. At a time when courage and firmness were the outstanding needs for a Defence Minister, he showed himself a courageous, high-minded, unwearied and patriotic administrator, with whose name no scandal could be linked, and the value of his services to the country and the Empire becomes more and more apparent in retrospect. As one newspaper, hostile to the Government, expressed it: "he displayed fine qualities of heart and head throughout the great struggle, and gave an inspiring lead to the country. It is fitting that the able Minister who directed our military effort in those critical years should now go to London to represent the Dominion in the important years of recovery and reconstruction and possible alteration of inter-Imperial relations." The New Zealand Parliament will lose the services of an able, fearless and experienced member, whose place it will be very hard to fill.

Another (Government) journal, writing upon Sir James Allen's appointment, emphasises in the following passage the possibility of an early extension of the functions of the High Commissioner:—

It is everywhere recognised that the Dominions are entitled to a voice in the foreign policy of the British Empire. They were represented on the War Cabinet during the war years, and the form of their permanent participation awaits only the opportunity for deliberate conference which cannot come until the Governments in Britain and the Dominions have solved the urgent problems of reconstruction which all of them are now facing. It is, however, practically certain that before the end of the present Parliament New Zealand will be called upon to have a Minister resident in London. Such a representative must in the circumstances be in the confidence of the Government, and probably he will have to be a member of the Government. In view of these possibilities Sir James Allen is an ideal man for the position of High Commissioner. His presence in London during the period when changes in the form of Empire Government are under discussion will give New Zealand complete assurance that its interests and views are being capably represented, and when the change comes New Zealand will have on the spot the best available man for a highly responsible and onerous position.

External Affairs

The Prime Minister has announced that a reorganisation of the London office will be effected to bring it into closer understanding of Dominion needs, and thus to extend its usefulness. Some officers in the Civil Service will be sent home at once from New Zealand, and transfers from here to London will be regularly made in future. Under the new High Commissioner the work of reorganisation is assured of success.

Sir Thomas Mackenzie has done admirable work during the past eight years, and gives up his post with sincere thanks from the Dominion for his valuable services. In an especial degree we recognise his untiring and sympathetic work on behalf of our soldiers during the war.

VI. EXTERNAL AFFAIRS

IN view of the obligations undertaken by New Zealand's acceptance of the Samoan mandate, a party of some forty Members of Parliament, including Sir James Allen, Minister of Defence, left this country in February to visit the islands with the object of acquiring first-hand information as to their condition, with special reference to the question of indentured labour. The opportunity is being taken of visiting also Tonga, Rarotonga and Fiji, and the party will not be back until the end of the present month. Cabled information shows that the local residents in Samoa, in a report on agriculture and labour, have strongly pressed upon the visitors the urgent need for more labour in order to develop the resources of the islands.

The position to-day (they say) is we must have more labour or face bankruptcy. Without an adequate supply of labour it is impossible for the planters to carry on. The labour barracks, which previously were considered to fulfil requirements, have been condemned, and we are compelled to make additions and erect new buildings. The "last straw" was the forced repatriation of indentured Chinese, costing from £20 to £20 10s. per head, against £2 10s. before the war. To these causes, as well as the higher cost of provisions, and

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the ravages of the rhinoceros beetle, is attributed the bankruptcy of some of the largest companies. One company has reduced its labourers from 294 to 12. Its rubber output has been reduced from 69,383 lb. to nil, and its cocoa output from 139 tons to 30 tons.

Summing up, the report states that 5,000 labourers ultimately will be required for the maintenance and development of the present plantations and to meet the needs of merchants and public works. The opinion is expressed that Chinese will be easily procured at an outside wage of 30s. per month.* Failing Chinese, the report suggests that Javanese be obtained by arrangement with the Dutch Government.

On the European plantations there are at present at work indentured Solomon Islanders and Chinese, but the Solomon Islanders are being repatriated, and are no longer a factor. In 1910 the Chinese numbered 2,200, now there are 830. The Solomon Islanders in 1910 numbered 850, now there are 405. It is pointed out that a Samoan with his wife earns more per day by cutting copra on his own holding than the planters pay him in a month. Moreover, the Samoans are insufficient to replace indentured labourers.

The visit should bear good fruit in the shape of improved knowledge of the circumstances and possibilities not only of Samoa, but also of the Cook Islands, the administration of which by New Zealand is popularly supposed to leave very much to be desired.

Fiji has just experienced a serious strike among the Indian labourers there, in the course of which there was some rioting and actual bloodshed. At the request of the Fijian Government, New Zealand sent down a vessel with a small party of armed men on board to assist in protecting the European residents if so required. Fortunately they were not called upon to take any active steps, and the strike came to an end soon after their arrival. Some delay occurred in getting coal for the vessel which took them down, as the waterside workers here objected to coal a

* This figure is doubted by a well-informed New Zealand merchant.

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ship which was being sent on what they regarded as a strike-breaking expedition, but they gave way when it was made clear that the men would only be employed to protect Europeans—including women and children—against excesses by rioting Indians.

Asked recently as to the possibility of an Imperial Conference being held this year, Mr. Massey replied that it was never intended to hold one in 1920, and that the Dominion required at least a year for the cleaning-up necessary after the war period. Mr. Massey was also referred to a cabled statement that a leading Minister connected with the Colonial Office admitted in conversation that the theory that the Dominions are equal nations is not working well in practice. In reply he stated that this could not refer to Lord Milner, because the latter had expressed to him the opinion that the new arrangement by which the Dominions became partners in the Empire has worked very well.

New Zealand. March, 1920.

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DURING the last quarter two topics have come so prominently to the fore that they have engrossed public attention to the virtual exclusion of everything else. The first is the "Caliphate Question": in other words, the bearing of the Turkish peace terms upon the power of the Sultan, titular head of the most important sect of Mahomedans. The second is the result of the enquiries which have been made into the origin and history of the disturbances which broke out in April last year. Around these two topics the political thought of India has gathered; and, as might have been expected from their nature, the interest which they have aroused alike among Moderates and Extremists has been intense.

Mention was made in the March number of *THE ROUND TABLE* of the way in which the Caliphate agitation has grown up. As the months have slipped by since the termination of hostilities, the strength of the pro-Turkish movement has ebbed and flowed. Probably but for the unfortunate delay in the settlement between the Allies and the Ottoman Empire, the espousal of Turkey's cause would have attracted far less attention. But the long delay enabled a sentiment which in its origin was more political than religious to assume a character in which the religious side was far more strongly marked. In this form it soon began to cause the authorities much anxiety. Even so, it was still confined to a mere section. Gradually, as time went on, the outcry of this section caused uneasiness to many of their co-reli-

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gionists ; but it was not until the question of the restoration of Turkey to pre-war integrity was taken up by Mr. Gandhi and the Hindoos who followed him that it became one in which genuine interest was aroused up and down India. Excitement has been fanned by meetings at which remarkably violent speeches were made. The Government has been accused of betraying pledges solemnly given in the heat of conflict, and of deliberately deceiving the Mahomedan community. Agitators have indeed threatened the withdrawal of its allegiance from the King-Emperor if the Turkish Empire is dismembered.

A deputation was sent to England to present the views of such Indian Moslems as supported the cause of the Sultan. At the same time excitement was maintained in India at its maximum. Mr. Gandhi announced that he would declare organised *hartals*, or public mournings, similar to those which had precipitated the conflict between anarchy and order in April last year. The whole situation appeared extremely disquieting, the more so as the operations against the recalcitrant frontier tribes were not yet concluded and the attitude of the Amir remained quite uncertain. As it turned out, it was just as well that the excitement was allowed to run its course, for before long the general good sense of India prevailed. Many of the stoutest champions of the Sultan's cause began to realise that the movement in its extreme form was not merely directed upon the wrong lines, but was also dangerous to the public peace. No one wanted a repetition of the Punjab disturbances. In consequence, there have of late been signs of a reaction: and although meetings are still held, and inflammatory speeches are applauded as loudly as ever, the tension shows signs of passing away. Long before the Khalifat deputation arrived in England it had ceased to be representative of anything but a comparatively small part of educated Moslem opinion. Moreover, the references to holy war against the infidels, in which some of the more violent speakers indulged, have begun to alarm the Hindoo community, whose initial support of the Cali-

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phate agitation under Mr. Gandhi's leadership had never been really whole-hearted. The gradual easing of the situation has been assisted by two factors, first, the occurrences on the North-West Frontier, and secondly the reception given to the Khalifat deputation which proceeded to England.

It is unnecessary to repeat the general statement given in the last issue of *THE ROUND TABLE* as to the disturbed condition of the North-West Frontier. The recalcitrant tribes are still, at the moment of writing, continuing their hopeless resistance on a small scale. But they have now grown more desperate, and the wilder spirits, feeling that they may as well be hung for a sheep as for a lamb, have recently conducted some daring raids into the North-West Frontier Province. The victims of these raids, though very occasionally Europeans, are more generally Hindu traders. Personal contact with militant Islam on the war path is apt to disconcert even the most enthusiastic Hindu exponent of Hindu-Mussulman unity; and the feeling has been steadily growing among the trading community of Northern India, who supply much of the financial backing for political agitation, that in making common cause with the Mahomedans over the Caliphate question they may perchance be calling up a spirit which they will be powerless to exorcise. They also realise that disorders are more easily provoked than controlled, and to their fear lest religious enthusiasm shall take the form of violence offered to Hindus, who are numerous and accessible, rather than to Europeans, who are few and hard to get at, may be ascribed the extremely cautious manner in which the public mournings organised by Mr. Gandhi are now celebrated.

The answers given by the Khalifat deputation to the Prime Minister have made it plain that the interpretation of Islamic requirements put forward by Mr. Muhammad Ali is wholly incompatible with the doctrines of self-determination and freedom in support of which the war was fought and won. This aspect of the case had not hitherto

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received due attention in India. The Moderates were sufficiently far-sighted to realise its importance, and they have now thrown all their weight upon the side of caution and abstention from pressing a demand which is really incompatible with twentieth-century political ideas. This is shown by the attitude that is taken by the two most influential Moderate papers, the *Bengalee* of Calcutta and the *Leader* of Allahabad, which displayed a fair and statesman-like attitude in dealing with the issues. And the position of the Mahomedan pro-Turkish extremists has been still further weakened by the action of the influential Shiah community, by far the greatest of the "dissenting" sects among the Mahomedans. To them the Caliphate means nothing, and they have made it quite clear that the Khalifat party has no claim to speak in the name of the whole body of Mussulmans of India.

At the moment of writing, it would appear that the extreme party is making great efforts to recover the ground recently lost. These efforts are taking the form of preparations for an agitation of unprecedented magnitude, timed to coincide with the publication of the final peace terms with Turkey. There has even been anxiety lest the loyalty of Mahomedan troops should be affected. It is greatly to be hoped that the wiser heads will strongly discountenance extreme tactics. They would adversely affect that new spirit of co-operation between Indians and Europeans upon which the future of India so largely depends. More, perhaps, now than at any time in her history does the country need patience, courage and statesmanship. The hope of India now really lies in the Moderate party. But the task which awaits them demands qualities which are not common.

Their disapproval has already done much to ease the tension caused by the Caliphate agitation. To run counter to the wishes of a person like Mr. Gandhi, who is to millions of Indians the very embodiment of the spiritual force behind the new gospel of nationality, requires not a little resolution.

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It must be obvious to any careful student of the Indian situation that the difficulties against which the Moderates are contending have been immensely augmented by the racial bitterness resulting from the disturbances of April, 1919. Co-operation is at present, and for the good of India it is to be hoped that it will be in the future, the main plank in the political platform of the Moderates. Anything which tends to inflame racial feeling, to wound the sensitive national pride of India, is a deadweight upon the progress of the Moderates, and so much clear gain to the Extremists. Unquestionably a realisation of this fact lies behind much of the Extremist outcry concerning the alleged oppressions perpetrated in the suppression of the disturbances. It is significant that while the Extremist press has been loud in its demand for the recall of Lord Chelmsford, the impeachment of Sir Michael O'Dwyer, and the prosecution of the administrators of martial law, the Moderates have been content to await in dignified silence the findings of the Hunter Commission. This does not mean that the Moderates do not feel as acutely as the Extremists on the question that has been under investigation; it means that they realise that the interests of their own party and of India as a whole are not served by indulging in petulant and indiscriminating accusations.

The Extremists, for their part, have realised the power given them by the outcry over the disturbances, and they have used this power for all it is worth. Being apprehensive at an early stage of the Hunter Commission that the official investigation might not result in the sweeping and wholesale condemnation they desired, they proceeded to appoint their own non-official committee. When the Hunter Commission was enquiring into the Delhi riots, the Non-Official Committee presented evidence, cross-examined witnesses, and put forward its own view of what had occurred. But, as was noticed in the March number of *THE ROUND TABLE*, the Non-Official Committee took umbrage at the refusal of the Punjab Government to release

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on parole prisoners already condemned to various sentences, who were desirous of being present while the official witnesses were giving their evidence before the Hunter Commission. From that time onwards, the Non-Official Committee abandoned all connection with the official enquiry, and frankly set to work to collect its own evidence and formulate its own conclusions. Later on, the particular prisoners whose conditional release on parole was demanded were unconditionally freed by the operation of the amnesty given on the occasion of the passing of the Reform Act, whereupon the Non-Official Committee invited the Hunter Commission, which had spent some six weeks in Lahore and had now begun to write its report, to return to Lahore and begin all over again. This request was refused; and the Non-Official Committee, of which Mr. Gandhi himself was a member, continued its own investigations, with the obvious intention of forestalling the Hunter Report. No public examination of the evidence was ever made, nor do the stories of the witnesses seem to have been tested in accordance with the practice customary in such cases. The Report of the Non-Official Committee was published at the end of March. It is a document which reveals clearly the imperfections of the method of enquiry upon which its authors rely. That it condemns the action of the authorities goes without saying. It is, unfortunately, less likely to elucidate the facts of the late unhappy disturbances than to confuse the issues arising from them, and the very illustrations included in it are of a kind to raise doubt in the mind of the average man as to the authenticity of the facts upon which its sweeping conclusions are based. It is unlikely to produce much effect in England. It has caused little stir even in India, where the Moderates have refused to attach importance to it, and have criticised the wisdom and the fairness of its publication. A very different document is the Report of Lord Hunter's Commission, which has just been made public. This Report should be read by all who

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desire to obtain some knowledge of the difficulties through which India will have to pass in her progress towards self-governing status in the British Commonwealth. Unfortunately it is somewhat bulky, consisting of 160 pages of text, and 40 pages of appendices and maps—the last, perhaps, the most striking feature of the whole volume. The text deals fully with the events which occurred in each district.

It will be a disappointment to many to find that the Report is not unanimous, and that the division occurs upon racial lines. Most fortunately, the differences between the conclusions of the five British and the three Indian members are less vital than would at first sight appear. There is general agreement as to the causes and occurrences of the outbreaks: it is only in a few details of the facts and in the nature of the deductions drawn therefrom, that the conflict of opinion is revealed. To readers of *THE ROUND TABLE* it will be unnecessary to recapitulate the conclusions arrived at by the Commission regarding the causes of the outbreak, for these conclusions merely confirm in striking manner the views previously presented in these pages. Briefly, the Commission is unanimous in agreeing that Mr. Gandhi's civil disobedience movement undermined the law-abiding instinct of large numbers of Indians at the very time when this instinct was strained to the uttermost by economic distress, war-weariness, anxiety as to the political future of India, apprehension over the Caliphate question, and agitation against the Rowlatt Act. Most marked, it is pointed out, was the unfortunate contrast between the newly awakened aspirations of India and the continued restrictions upon liberty, light though these were in comparison with those obtaining in Europe and America, inseparable from the war and post-war periods.

The steadily mounting excitement resulting from the *Satyagraha* movement precipitated the first conflicts between the police and the forces of disorder. For the conduct of the authorities throughout the premonitory

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outbreak at Delhi, the Commission, British and Indians alike, have only praise. The Indians are inclined to believe that the restrictions imposed upon the movements of Mr. Gandhi and other leaders—restrictions the exaggeration of which was responsible for the explosions at Ahmedabad and elsewhere in the Bombay presidency—were less inevitable than the English members believe : but this view is perhaps not quite consistent with the admission that Mr. Gandhi's presence in Delhi and the Punjab might well have led to a breach of the peace. On the whole, the Commission is unanimous in finding that, with the exception of General Dyer's action at Amritsar (of which more later) and of certain very insignificant incidents, the firing done by the police and the military was thoroughly justified by the circumstances, which, in the view of the authorities, compelled resort to it at the time.

Perhaps the most important point which the Hunter Commission was called upon to decide was that of the general nature of the disturbances. Here we particularly regret the lack of unanimity of the members. The five British members, two judges, a soldier, an administrator, and a business man, agree in adopting the view that Government was faced with serious and widespread disorders of a rebellious nature ; disorders which possessed that " public and general object " pronounced by lawyers to constitute the essence of rebellion. This object was an attempt to paralyse the administration by extensive destruction of Government buildings and means of communication. " The element of rebellion," say the British members in discussing the applicability of the term " open rebellion " to the disorders, " as distinct from mere riot on the one hand and from political opposition to Government on the other, can be traced throughout ; in what sense it may be considered to lack openness, as the Indian members think it did, it is hard to discover." In support of their view the majority lay stress upon the serious and widespread attacks upon railways, bridges, and telegraph wires—here the

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evidence of the maps is most striking—and upon the seditious language used by the mobs and the inflammatory posters which made their appearance in many places. At this point the Indian members of the Commission definitely part company with their British colleagues. They refuse to apply the term “open rebellion” to the disorders, because they consider the expression applicable only to an attempt to expel the British Government ; but they say at the same time that the mobs “may have been guilty of waging war” in the technical sense of the term. The minority view of the matter points to a fixed belief that the imposition and continuance of martial law were utterly unjustifiable. Thus, while the Indian members accept all the facts upon which their colleagues base the conclusion that the Government was faced with open rebellion, they do not admit what would seem to an Englishman the inevitable deduction.

It is, indeed, over the question of martial law that the outlook of the Indian and of the British members differs most radically. The latter state that in their opinion it would have been imprudent at the time to treat disorders so widespread and so nearly simultaneous as though they had been isolated incidents. There is, it is true, no proof of antecedent conspiracy as a mainspring of the disorders—although this is not the same thing as proving that none existed ; but at the moment when the outbreak occurred it was impossible not to assume the existence of a definite organisation behind it. The British members, in brief, believe that the Punjab Government was perfectly right in asking for martial law, and the Government of India was equally right in acceding to the demand. They also believe that the continuance of martial law was justified by the circumstances arising out of the disturbances—more particularly by the war with Afghanistan. Upon all these matters the Indian members of the Committee throw down a definite challenge for the judgment of public opinion. Taking their stand, first upon their own judgment of the disorders, and secondly upon the constitutional ground that the imposition

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of martial law for preventive or punitive purposes cannot be justified, they proceed to frame an indictment against the Punjab administration for persuading itself rather too easily that martial law was necessary. Upon this view, its continuation is pronounced wholly indefensible. They put forward as one of their arguments the statement that the worst of the disorders had passed away before martial law had come into operation. But, as the Majority point out, the imposition of martial law must be approved or condemned not merely from the point of view of what had already happened when its utilisation was canvassed, but also from the point of view of what might reasonably be expected to happen in the immediate future. It seems only natural to believe, as do the Majority of the Commission, that no administration could possibly take the grave risk of complete catastrophe in the hope that the disorders would of themselves subside as quickly as they had arisen.

There is no need to follow the Commission in its elaborate investigation of the events which took place in every locality where disorders occurred. The Government of Bombay shares with the Government of Delhi the unanimous approval, expressed by the whole Commission, of its handling of a very difficult situation. The task of the Punjab authorities was more difficult, it would appear, than that of the two other administrations affected. In that province the disorders were more widespread, and hence harder to suppress. Moreover, a Punjab crowd, unaccustomed as it is to the intoxication of oratory and the excitement of political agitation, is far more difficult to handle than any other in India. While the troubles were on, the Punjab authorities, with their communications cut on every hand, the movement of their scanty forces hampered by constant derailments, their one means of intercourse with the Supreme Government a single wireless installation, were living in their boots, eating where they could, day and night, toiling desperately, civil and military officers alike,

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to restore the peace. It would have been most surprising if no mistakes had been made. Mistakes were made, and some of them were very grave indeed.

Take the case of General Dyer at Amritsar, upon which now for the first time an impartial judgment can be pronounced. The British members of the Hunter Commission believe that the outbreak of April 10th was anti-government at every stage, hostility to the administration quickly merging into race hatred of Europeans generally. The civil authorities were helpless, and *de facto* martial law resulted. The King-Emperor's writ ceased to run in the city, and it would have been suicidal for Europeans to enter the gates without an armed escort of considerable size. It may have been unfortunate that the civil authorities made over charge so unreservedly to the military: but little harm would have resulted had the military representative who subsequently assumed command taken a more conventional view of the situation than that which commended itself to General Dyer. In fairness to this officer, it should be remembered that his position was one of the utmost difficulty. His normal communications with the outside world were cut, serious disorders, the intelligence of which reached him by aeroplane, were breaking out in adjacent districts. At his very headquarters, Amritsar, his announcement by beat of drum that public meetings were prohibited was the signal for a defiant declaration that a meeting would be held that very afternoon at the Jalewalian (or Jalianwalla) Bagh. On the news that the meeting was actually taking place, General Dyer marched his whole available striking force, fifty rifles and forty Gurkhas armed with knives only, to the site of the meeting, and without warning fired upon the large crowd there assembled. He continued to fire while the gathering was dispersing in terror-stricken confusion. He fired more than 1,600 rounds, causing 379 fatal casualties, and a number of wounded casualties which the most searching enquiries can only place at about half that number. He

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then marched back, leaving the fallen to avail themselves of the ordinary hospital facilities of the city—if they were able to do so.

The Hunter Commission is emphatic in its condemnation of General Dyer's drastic action. That firing upon a mob, the immense majority of which must have assembled in deliberate defiance of martial law orders, would be justifiable if necessary to secure its dispersal, is the verdict of the British members of the Commission. But General Dyer ought certainly, they make clear, to have given such warning as would have enabled any innocent spectators who might have been present to make their escape. Much more serious appears to them his action in continuing fire for so long. His extraordinary frankness enables the Commission to say without hesitation that the tragedy was due, not to the passionate excitement of the moment, but to a deliberate and calculated determination to strike terror into the rebellious spirits not merely of Amritsar but of all India. He believed (and apparently still believes) that his action saved the British Raj. The British members of the Hunter Commission do not agree with him. However necessary it may have been to fire, to fire in the way that he did was indefensible. If force was required, that does not justify a use of it which was excessive beyond all reason, even if it had salutary effects in nipping in the bud a trouble that might have spread through the whole country. Moreover, against any such immediate effects, which would also have followed a reasonable use of force, must be placed the serious harm which the General's action might do to the British connection with India, a connection which should stand in the highest interests of both countries. His action has indeed brought discredit upon our name in many parts of the world. Such deliberate excess is altogether foreign to the ideas which form the basis of our commonwealth, and should incidents like the Jalewalian Bagh become a regular part of the price of our position in India, it would be one that we could not pay. Nor is it possible

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not to condemn the command given by General Dyer that all Indians passing through the lane where Miss Sherwood was assaulted must do so on all fours, or the order of another officer that certain formal marks of respect, which signified to the individual a degrading inferiority, must be paid to every British officer by all Indians irrespective of status. There were other incidents which were sure to wound deeply the self-respect of a sensitive people. Martial law must necessarily be drastic and generally is burdensome, but actions of this kind often leave a lasting sense of bitterness even when they are unaccompanied by physical cruelty in the ordinary sense of the word. They were in themselves unjustifiable, and the harm which may result is incalculable. It would, however, be a mistake to suppose that the administration of martial law was on the whole either tyrannical or unreasonable, and an indiscriminate indictment of British rule on the strength of the indefensible action of individuals would be unjust in the extreme. The ghastly tragedy at Amritsar comes as a greater shock because of its exceptional and un-British character.

It is too early yet to speak of the effects which the Hunter Report, so eagerly awaited by responsible politicians in India, will exert upon the situation. As already indicated, the report of the Extremists has so far produced little effect, principally because the Moderates have refused to consider it as anything more than an *ex parte* statement. But now that the Hunter Report has appeared this party will be compelled to declare its attitude. That the general facts of the outbreaks, as accepted by both English and Indian members of the Commission, will be seriously questioned, there is little chance. But despite all the care which the Indian minority have taken to exculpate the Government of India, it is difficult to see how their view could be adopted without imputing incompetence and lack of vision to the present administration, and such an imputation might prove a source of grave embarrassment to the Moderates in their

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stand for the principle of co-operation. It might even play directly into the hands of the Extremists at the approaching elections. On the other hand, if the decision of the majority of the Hunter Commission should commend itself to them, though the Moderates would be free from embarrassment in their advocacy of whole-hearted co-operation, and able emphatically to denounce the administrative mistakes which the Majority Report condemns in terms so free from ambiguity, can it be reasonably expected that as Indians they will be content to abide by the decision of the British members? The difference resolves itself into this: Was the whole administration of India gravely at fault: or were individual administrators to blame for spoiling a record which otherwise would have been perfectly clean? The majority, as we have seen, of the Hunter Commission emphatically adopt the latter alternative: the minority, though with less confidence, incline to the former. As a third alternative it is possible that the Moderates may adopt neither the majority nor the minority Report in its entirety, but may prefer to follow their own judgment.

In Britain, and in every other portion of the Commonwealth where Indian affairs excite even a passing interest, the Hunter Report will be read with relief. There is, however, a heavy responsibility on those who far away in England or elsewhere write about events which have for so long agitated the public mind in India. There is no room for prejudice either of party or of race. Judicial fairness is called for from them as from the Commission. Both must disregard all considerations except the naked truth. The future of India depends upon the chance of Indians and British working loyally together in its highest interests. Sympathy and understanding will help the efforts of any moderate party with this end in view. On the other hand, if a burden of ill-will and race hatred is imposed upon the approaching reforms, there is a danger of the delicately adjusted machinery of administration breaking down in chaos.





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